

Grit, persistence, staying the course

DCB Bank Limited
Annual Report FY 2022-23





DCB BANK VISION

Our vision is to be the most innovative and responsive neighbourhood Bank in India serving entrepreneurs, individuals and businesses.

DCB BANK VALUES

- Treat Everyone with Dignity
– **Respect**
- Do What is Right
– **Ethical**
- Be Open & Transparent –
Fair
- Sense of Urgency, Passion & Energy
– **Dynamic**
- Go the Extra Mile, Find Solutions – **Stretch**
- Improve Continuously
– **Excellence**
- Play as a Team, To Win
– **Teamwork**
- Support the Society
– **Contribute**

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COMPANY INFORMATION

Board of Directors

Mr. Farokh N. Subedar,
Chairman

Mr. Murali M. Natrajan,
MD & CEO

Mr. Aryn Jassani

Mr. Iqbal Khan

Ms. Lakshmy Chandrasekaran
(w.e.f. April 14, 2023)

Mr. Rafiq Somani

Mr. Shabbir Merchant

Mr. Somasundaram PR

Mr. Tarun Balram

Mr. Thiyagarajan Kumar

Senior Management Team

Mr. Abhijit Bose

Chief Credit Officer

Mr. Ajit Singh

Head Treasury, Financial Institutions Group and Investor Relation

Mr. Gaurav Mehta

Head – Marketing, Public Relations (PR) & Corporate Communications

Mr. J. K. Vishwanath

Head-Corporate and SME Banking

Mr. Manoj Joshi

Chief Compliance Officer and Chief of Internal Vigilance

Ms. Meghana Rao

Head – Branch Operations

Mr. Narendranath Mishra

Head – Agri & Inclusive Banking

Mr. Praveen Kutty

Head – Retail Banking

Mr. Ravi Kumar Vadlamani

Head-Operations & Key Projects

Mr. Sridhar Seshadri

Chief Risk Officer

Mr. Satish Gundewar

Chief Financial Officer

Ms. T. P. Anuradha

Chief Internal Auditor

Mr. Venkatesh R.

Head IT, HR, Operations & Chief Information Officer

Company Secretary

Ms. Rubi Chaturvedi

Key Officials

Mr. Ajay Mathur

Head – Collections & Commercial Vehicles

Mr. Bappa Roy

Product Head Retail Liability and Third Party Distribution

Mr. Damodar Agarwal

Head – Strategic Initiatives and Alternate Channels

Mr. K. K. Pandey

Head – Channel Sales & Emerging Markets

Mr. Krishna Ramasankaran

Head – Credit, Retail & Small & Medium Enterprises (SME)

Mr. Murali Mohan Rao Manduva

Chief Technology Officer

Mr. N. C. Kaushal

Business Head – Digital Banking

Mr. Pankaj Sood

Head – Branch Banking-Retail

Mr. Sukesh Bhowal

Head – Mortgages & Gold Loans

Joint Statutory auditors:

S. R. Batliboi & Associates, LLP,

Chartered Accountants

(Registration No. 101049W / E300004)

M/s Sundaram & Srinivasan,

Chartered Accountants,

(ICAI Registration No. 004207S)

Registered Office

DCB Bank Limited

601 & 602, Peninsula Business Park,
6th Floor, Tower A, Senapati Bapat Marg,
Lower Parel, Mumbai-400013

CHAIRMAN'S STATEMENT



It is my privilege and pleasure to address you, dear shareholders for the first time as the Chairman of the Board of Directors of DCB Bank Limited.

It has been an eventful year for the world which may have long term implications for all of us. The world population touched 8 billion (and according to the United Nations recent forecast India's population crossed that of China). Predominance of US dollar beginning to be questioned, the turmoil in British politics leading to a person of Indian origin becoming the Prime Minister of the United Kingdom, Pakistan and Sri Lanka experienced economic and political stress, Russia-Ukraine hostility leading to a humanitarian crisis and global inflation and finally there are unmistakable visible signs now that climate change is real and is impacting weather patterns which may ultimately result in economic and civil disruptions.

In all the neighborhood and world turmoil, India is doing well. We have successfully dealt with the Covid-19 pandemic. Our economy is growing and as per RBI, India's GDP growth is estimated at 7.2% for FY 2023. This is good news for India and the banking business. In the last few months, the Reserve Bank of India (RBI) has increased policy rates in response to inflationary conditions. This may have negative impact on the demand for loans in the coming months.

Difficult times requires **Grit, Persistence and Staying the Course**, the theme for the Bank for FY 2023.

The Bank has successfully dealt with huge challenges thrown at us by the Covid-19 disruptions. This success would not have been possible without the pragmatic approach and the support provided by the RBI and various arms of the Government of India. The self-employed / MSME segments, the core target market for the Bank were worst hit by the Covid-19 pandemic. For DCB Bank, while there was an increase in NPAs and Restructured portfolio during Covid-19 pandemic, with the help of strong recovery / collections, the Bank has been able to reduce NPAs, improve the business and deliver robust financial results. What is more, the Bank has once again stepped-up growth by investing in frontline headcount and new branches. We are investing in people by steadily improving our HR practices. Although the investments have had an immediate impact on the Cost / Income ratio, we are confident that the steady

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planned growth over the next few quarters should help improve this ratio.

The strong performance for the year is also testimony to the quality portfolio created through consistent execution of strategy prior to the pandemic. The management team led by your Managing Director and the Board of Directors have ably demonstrated quality performance and delivered robust growth trajectory.

Deposits and Advances growth is picking up and we are aiming to double the book in around 3 to 4 years. Given our robust business model, profit performance and capital efficiency, the Bank did not need to raise equity capital during last few years. Our capital continues to be strong and will support our immediate growth ambition.

In the initial throes of the Covid-19, the Bank identified 309 digital initiatives from a bottom-up approach across the length and breadth of the Bank, code named "Mission 309". The successful roll out of these initial M309 digital agenda has spawned continuing initiatives in the digital arena.

The opportunity in the country is huge for a bank with our focus and strategy. Customers are embracing digital products and services at an increasing pace. To differentiate and compete in the industry, we intend to continue to improve our customer service. The Bank already has a well-established customer service philosophy namely Empathy, Speed and Quality (ESQ). I intend to reinforce ESQ at every level in the Bank and in every interaction with our customers thereby further enhancing our service levels.

I am very enthused by the CSR thrust areas of the Bank and the passion and commitment shown by DCBIans in volunteering for the CSR initiatives undertaken by the Bank. Also, the central CSR theme is "sustainable livelihood" which is in sync with that of our promoter AKFED.

While I have been closely associated with large NBFCs and financial sector entities, the opportunity to be associated with the banking sector has been quite exciting. The first few months have been full of learning. I am fascinated by the intricacies, nuances and opportunities which the Bank provides and I am looking forward to more interactions both with our employees and with our customers.

I am delighted to interact with the management team and employees of the Bank, several of whom are veterans in the industry and display a very high level of dedication and oneness with the Bank. I am sure the shareholders will join me in thanking them for their hard work and dedication.

I sincerely thank all the Directors for their efforts in ensuring governance and growth. I share my good wishes to the Directors who retired in FY 2023 and have pleasure in welcoming the Directors who have recently joined our Board.

I am eagerly looking forward to working with you to embark on a rewarding journey for all of us in the coming years.

Farokh N Subedar
Chairman

Corporate Social Responsibility Initiatives



Beach cleanup, Mumbai, Maharashtra



Community awareness programme for the management of the village waste, Sonada, West Bengal



Ecosystem restoration through tree plantation for sustain



Har Ghar Tiranga Campaign, Uttara Kannada, Karnataka



Huvinayaknahalli Lake clean up, Bengaluru, Karnataka



Kitchen garden for beekeeping, Chhindwara, Madhya Pradesh



Beekeeping training programme for women Self Help Group for sustainable livelihood, Uttara Kannada, Karnataka



able livelihood in South 24 Parganas, West Bengal



Beekeeping training programme for women Self Help Group for sustainable livelihood, Cuttack, Odisha



Habitat restoration, nature trail development for forest landscape through Assisted Natural Regeneration, Sanjay Gandhi National Park, Mumbai, Maharashtra



Miyawaki urban forest, urban green space, increasing soil fertility, Mumbai, Maharashtra



School students participating in tree plantation and maintenance of Miyawaki urban forest, Chennai, Tamil Nadu



Mangrove tree plantation and seaweed farming for coastal communities, Viluppuram & Ramanathapuram, Tamil Nadu



Rain water harvesting to supply potable water for school going tribal girl's government hostel, Panna, Madhya Pradesh



Water conservation for sustainable future, revival of traditional open well, Bengaluru, Karnataka



Waterless urinals help save precious fresh water, Gandhinagar, Gujarat



Daily collection of segregated household waste. Behaviour change & solid waste management to prevent pollution of the Ganga river at Muni-Ki-Reti, Uttarakhand



Castal
ladu



Tree plantation for greening urban space, Chennai, Tamil Nadu



Waste management through bio-digester, using the cattle waste to provide biogas to rural homes. Reducing smoke pollution, reduction of methane and dependency on firewood, Adilabad, Telangana



Water harvesting through Rainwater Recharge Wells, Bengaluru, Karnataka

NOTICE TO MEMBERS

NOTICE is hereby given that the Twenty Eighth (28th) Annual General Meeting ("the AGM") of the Members of DCB Bank Limited ("the Bank") will be held on Thursday, June 22, 2023 at 2.30 p.m. (IST) via Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") to transact the following:

Ordinary Business:

1. To receive, consider and adopt the audited financial statements of the Bank for the financial year ended March 31, 2023 together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend of ₹1.25 per Equity Shares of ₹ 10/- each, for the Financial Year ended March 31, 2023.
3. To appoint a director in place of Mr. Iqbal Khan (DIN-07870063), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Joint Statutory Auditors and to fix their overall audit fees and in this regard, to consider and, if thought fit, to pass, the following Resolution as an

Ordinary Resolution

"RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions of the Companies Act, 2013 ("the Act") read with the rules made thereunder and the Banking Regulation Act, 1949, relevant rules, circulars and guidelines issued by the Reserve Bank of India from time to time and such other regulatory authorities, as may be applicable (including any statutory amendment(s), modification(s), variations(s) or re-enactment(s) thereof for the time being in force) and as approved by Reserve Bank of India vide. Letter No Ref CO.DOS. RPD.No. S995/08.37.005/2023-24 dated May 11, 2023, M/s. B S R & Co LLP, Chartered Accountants (ICAI Firm Registration no.101248W/W100022), who have offered themselves for appointment and have confirmed their eligibility to be appointed as Joint Statutory Auditors of the Bank in terms of Section 141 of the Companies Act, 2013 and applicable rules thereunder and the guidelines issued by RBI dated April 27, 2021, be and are hereby appointed as one of the Joint Statutory Auditors of the Bank for the period commencing from the conclusion of this 28th Annual General meeting until the conclusion of the 31st Annual General Meeting of the Bank for a continuous period of three (3) years (from FY 2023-24 to FY 2025-26) subject to the RBI approval on

an annual basis and firm satisfying the eligibility norms each year in this regard, for the purpose of audit including certifications, reporting on internal financial controls of the Bank's account at its head office, branches and other offices, with power to the Board, including relevant Committee(s) thereof, to alter and vary the terms and conditions of appointment, remuneration, reimbursement of expenses etc., including by reason of necessity on account of conditions as may be stipulated by the RBI and /or any other authority, in such manner and to such extent as may be mutually agreed between the Bank and the Joint Statutory Auditors and as may be further approved by the Board from time to time.

RESOLVED FURTHER THAT subject to applicable laws and regulations including the relevant guidelines and circulars of the RBI (as may be amended, restated, modified, replaced from time to time), M/s. B S R & Co LLP, Chartered Accountants (ICAI Registration No. 101248W/W100022) and M/s. Sundaram & Srinivasan, Chartered Accountants, (ICAI Registration No. 004207S), who were already appointed as the Joint Statutory Auditors of the Bank at the 26th Annual General Meeting of the Bank held on August 13, 2021, shall act as the Joint Statutory Auditors of the Bank for the remainder of the term of M/s. Sundaram & Srinivasan, Chartered Accountants, at overall audit fees of Rs. 1.65 crore (Rupees One Crore and Sixty Five Lakhs Only) per annum for FY 2023-24, to be allocated by the Bank between M/s. B S R & Co LLP, Chartered Accountants and M/s. Sundaram & Srinivasan, Chartered Accountants as the Joint Statutory Auditors, as may be mutually agreed between the Bank and the said Joint Statutory Auditors, depending upon their respective scope of work, and additionally out of pocket expenses and taxes as applicable and that M/s. B S R & Co LLP, Chartered Accountants shall thereafter act as Joint Statutory Auditors of the Bank with such other new Joint Statutory Auditor(s) who will be appointed by the Bank subject to prior permission of RBI and approval of the Members of the Bank from FY 2024-25 onwards.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board (including the Audit Committee of the Board or any other person(s) authorised by the Board or

the Audit Committee in this regard), be and is hereby authorised on behalf of the Bank to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose and with power on behalf of the Bank to settle all questions, difficulties or doubts that may arise in this regard for implementation of the Resolution including but not limited to determination of roles and responsibilities/ scope of work of the respective Joint Statutory Auditors, negotiating, finalising, amending, signing, delivering and executing the terms of appointment including any contracts or documents in this regard, without being required to seek any further consent or approval of the Members of the Bank.”

Special Business:

5. Raising of funds by issue of bonds/ debentures/ securities on private placement basis.

To consider and if thought fit, to pass the following Resolution as **Special Resolution**

“RESOLVED THAT pursuant to Section 42 and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other relevant rules made under the act, read with the relevant circulars/ notification issued by the Ministry of Corporate Affairs from time to time, Securities and Exchange Board of India (“SEBI”) (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (“SEBI ILNCS”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable rules, regulations, guidelines, directions and circulars issued by the SEBI from time to time, applicable provisions of the Banking Regulation Act, 1949, the Reserve Bank of India Act, 1934, Foreign Exchange Management Act, 1999 (including, any statutory amendment(s) or modification(s) or re-enactment(s) thereof, for the time being in force), the rules, regulations, circulars, notifications, directions and guidelines issued by the Reserve Bank of India (“RBI”) from time to time and all other relevant provisions of applicable laws, the provisions of the Memorandum and Articles of Association of the Bank and subject to such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the concerned statutory authority(ies), the approval of the Members of the Bank be and is hereby accorded to the Board of Directors of the Bank (hereinafter referred to as “Board” and which term shall be

deemed to include any Committee of the Board or any other persons to whom powers are delegated by the Board as permitted under the Companies Act, 2013) for borrowing/raising of funds, from time to time, in Indian/foreign currency, by issue of debt securities including but not limited to Unsecured Redeemable Taxable Non-Convertible Subordinated Basel III Compliant Tier II Bonds / Non-Convertible Debentures (including bonds forming part of Tier I Capital/Tier II Capital in accordance with and subject to the terms and conditions specified in the Basel III Capital Regulations prescribed by the RBI), long terms infrastructure bonds or such other bonds as may be permitted by the RBI from time to time in domestic and/ or overseas market, on a private placement basis and/ or for making offers and/ or invitations therefor and/ or issue(s)/issuances thereof, on a private placement basis, for a period of one year from the date hereof, in one or more tranches and/ or series and under one or more shelf disclosure documents and/ or one or more letters of offer and on such terms and conditions for each series/ tranches including the price, coupon, premium, discount, tenor etc. as deemed fit by the Board, as per the structure and within the limits permitted by the RBI, of an amount not exceeding Rs. 500 crore (Rupees Five Hundred crore) over and above the outstanding debt securities issued by the Bank and in aggregate for additional Tier I and Tier II Capital within the overall borrowing limits of the Bank, as approved by the Members from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Bank or any Committee of the Board or such other persons as may be authorized by the Board or Committee of the Board, be and are hereby authorized to negotiate, modify and finalize the terms and conditions of the debt securities and sign the relevant documents/ agreements in connection with the private placement of the debt securities, including without limitation, the private placement offer letter (along with the application form), information memorandum, disclosure documents, debenture subscription agreement, debenture trust deed and any other documents as may be required, in connection with the offering(s), issuance(s) and/ or allotment(s) on a private placement of debt securities by the Bank and to further delegate the above powers to any Committee of Directors or any officers of the Bank to act on their behalf as they may deem fit and to do all such other acts and things and to execute all such documents as may be necessary for giving effect to this Resolution”.

6. Issue of Equity Shares / other securities convertible into Equity Shares (“Securities”) through Qualified Institutions Placement(QIP)

To consider, and if thought fit, to pass, the following Resolution as a **Special Resolution**

“RESOLVED THAT pursuant to sections 42 and 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made under the Act, including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force, the applicable provisions of the Banking Regulation Act, 1949, the Securities and Exchange Board of India (SEBI) (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“ICDR Regulation”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the Foreign Exchange Management Act, 1999 (“FEMA”), Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017, as amended from time to time and in accordance with applicable rules, regulations, guidelines, circulars, notifications and clarifications issued by Government of India (“GOI”)/ Reserve Bank of India (“RBI”)/ SEBI/ Ministry of Corporate Affairs (MCA)/ Stock Exchanges where the Equity Shares of the DCB Bank Limited (“the Bank”) are listed and/ or any other competent authorities and subject to (a) any other applicable laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force), (b) the enabling provisions of the Bank’s Memorandum and Articles of Association, (c) any approval, consent, permission or sanction of SEBI and/ or RBI and/ or Ministry of Finance (Department of Economic Affairs), as applicable or relevant Ministry approving foreign investment, as applicable and required, approvals, consents, permissions or sanctions of other concerned authorities, within or outside India, and (d) such terms, conditions and modifications as may be prescribed by any of them while granting such approvals, consent permissions or sanctions and which may be agreed to by the Board of Directors of the Bank (hereinafter referred to as “the Board” which term shall include any Committee constituted by the Board), consent of the Bank be and is hereby granted to the Board to create, offer, issue and allot, in one or more tranches, by way of a Qualified Institutions Placement (QIP)

under Chapter VI of ICDR Regulations, such number of Equity Shares to Qualified Institutional Buyers as defined under Chapter VI of ICDR Regulations, whether they be holders of the shares of the Bank or not (collectively called “the Investors”) as may be decided by the Board in their discretion and permitted under the applicable laws and regulations, for an aggregate amount not exceeding ₹ 500 crore (Rupees Five Hundred Crore only), inclusive of such premium as may be fixed on the Equity Shares at such time or times, at such price or prices, at a discount or premium to market price or prices in such manner and on such terms and conditions, as may be deemed appropriate by the Board at its absolute discretion considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead manager(s) and/ or underwriter(s) and/ or other advisor(s) as the Board may in its absolute discretion deem fit or appropriate in accordance with all applicable laws, rules and regulations for the time being in force in this regard (“the Issue”).

RESOLVED FURTHER THAT the Equity Shares to be offered, issued and allotted in pursuance of this Resolution shall be subject to the provisions of the Memorandum and Articles of Association of the Bank and the same shall rank *pari passu* with the existing Equity Shares of the Bank;

RESOLVED FURTHER THAT the Equity Shares to be issued shall be listed with the stock exchanges, where the existing Equity Shares of the Bank are listed;

RESOLVED FURTHER THAT the relevant date for determination of price of Equity Shares to be issued by way of the proposed issues shall be the date of the meeting at which the Board decides to open the proposed issue of Equity Shares, or such other date as may be permitted under ICDR Regulations from time to time;

RESOLVED FURTHER THAT the pricing shall be determined in compliance with principles and provisions set out in the Regulation 176 of Chapter VI of the ICDR Regulations and the Board may offer a discount of not more than 5% (five per cent) on the price calculated for the QIP or such other discount as may be permitted under said ICDR Regulations;

RESOLVED FURTHER THAT the allotment of Equity Shares shall be completed within a period of 365 days from the date of this Resolution approving the proposed issue or such other time as may be permitted under ICDR Regulations from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board or its appointed delegates/ committees be and is hereby authorized to do all such acts, deeds, matters and things including but not limited to finalization and approval for the draft as well as the final offer document(s), determining the form, proportion and manner of the issue, including the class of investors to whom the Equity Shares are to be issued and allotted, number of Equity Shares to be allotted, issue price, premium/ discount amount on issue, if any, execution of various transaction documents, fixing record date, listings on one or more Stock Exchanges in India, appointing intermediaries, entering into arrangements for managing, underwriting, marketing, listing and trading, to issue offer documents and to sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and for other related matters and with power on behalf of the Bank as it may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the Issue, offer or allotment of Equity Shares and utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to further delegate all or any of the powers in aforesaid matters to the officials of the Bank, in such manners as the Board may in its absolute discretion deem fit."

7. To approve the appointment of Ms. Lakshmy Chandrasekaran (DIN:00240466) as an Independent Director of the Bank

To consider and, if thought fit, to pass, the following Resolution as a **Special Resolution**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with schedule IV and such other applicable provisions of the Companies Act, 2013 ("the Act") the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), Section 10A(2)(a) and such other applicable provisions of the Banking Regulation Act, 1949 and relevant circulars/ directions/ guidelines issued by the Reserve Bank of India ("RBI") from time

to time and any other applicable Laws, Rules and Acts including any amendments, modifications, variations or re-enactments thereof and pursuant to the recommendation of the Nomination and Remuneration Committee ("NRC") and approval of the Board of Directors of the Bank ("the Board"), the appointment of Ms. Lakshmy Chandrasekaran, in respect of whom the Bank has received a notice in writing under section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby approved by the Members as an Independent Director of the Bank, not liable to retire by rotation, having specialized experience in the field of Accountancy, Finance and Risk Management to hold office for a period of three (3) years from April 14, 2023 to April 13, 2026 (both days inclusive).

RESOLVED FURTHER THAT Ms. Lakshmy Chandrasekaran shall be paid sitting fees and reimbursement of expenses for attending the meetings of the Board and Committee, as applicable.

RESOLVED FURTHER THAT the Board of Directors of the Bank (which term shall include any Committee thereof) be and is hereby authorized to execute all such documents, instruments and writings, as deemed necessary, file requisite forms or applications with statutory/ regulatory authorities, with the power to settle all questions, difficulties or doubts that may arise in this regard, as it may in its sole and absolute discretion deem fit and to do all such acts, deeds, matters and things as may be considered necessary and appropriate and to delegate all or any of its powers herein conferred to any Director(s)/ Officer(s) of the Bank, to give effect to this Resolution."

8. To take note of the appointment of Mr. Farokh Nariman Subedar (DIN: 00028428) as Non-Executive Part-Time Chairman of the Bank and to approve payment of remuneration.

To consider and if thought fit, to pass, the following Resolution as an **Special Resolution**

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 ("the Act") and the rules made thereunder, Section 10B and other applicable provisions of the Banking Regulation Act, 1949 and the rules, circulars and guidelines issued by the Reserve Bank of India from time to time and Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and other applicable provisions of the SEBI Listing Regulations and

Articles of Association of the Bank, and in terms of the approval granted by the Reserve Bank of India ('RBI') vide its letter dated January 31, 2023, the appointment of Mr. Farokh Nariman Subedar as Non-Executive Part-Time Chairman of the Bank for a period of three (3) years with effect from January 31, 2023 be and is hereby noted by the Members of the Bank.

RESOLVED FURTHER THAT pursuant to the applicable provisions of the Banking Regulation Act, 1949, the Companies Act, 2013 along with rules made thereunder, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Regulation 17 of the SEBI Listing Regulation or other applicable provisions of SEBI Listing Regulations, the rules, circulars, notifications and guidelines issued by the RBI, Articles of Association of the Bank and pursuant to the recommendation made by the Nomination & Remuneration Committee, approval of the Board of Directors of the Bank and approval of RBI dated January 31, 2023, approval of the Members of the Bank be and is hereby accorded for the payment of following remuneration to Mr. Farokh Nariman Subedar as Non-Executive Part- Time Chairman of the Bank from the date of the RBI approval i.e., January 31, 2023.

- Fixed honorarium of ₹ 24,00,000/- p.a.
- sitting fees for attending Board and Committee meetings
- Reimbursement of actual business related expenses and 1 club membership

RESOLVED FURTHER THAT the Board (which term shall include any Committee thereof), be and is hereby authorized to do all such acts, deeds, matters and things and to execute any agreements, documents, instruments and writings as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the said appointment as it may in its sole discretion deem fit and to delegate all or any of its powers conferred herein to any Director(s) and/or officer(s) of the Bank to give effect to this Resolution."

9. Alteration of Article of Association of the Bank

To consider, and if thought fit, to pass the following Resolution, as a **Special Resolution**

"RESOLVED THAT pursuant to Section 14 of the Companies Act, 2013 and rules made thereunder and any other applicable provisions of the Act, relevant provisions of the Banking Regulation, Act, 1949,

read with the relevant rules, guidelines and circulars issued by the Reserve Bank of India (the "RBI") from time to time and any other applicable laws/ regulations (including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereto, for the time being in force), the provisions of the Articles of Association of DCB Bank Limited ("the Bank"), and subject to such approvals as may be necessary/ required, the approval of the Members of the Bank be and is hereby accorded for alteration of the Articles of Association of the Bank, by inserting the following clause (5) under Article 112 of the Bank:

(5) The Bank shall, in accordance with the requirement of prevailing applicable laws/ statutes in force and the trust deed entered into with the Debenture Trustees in connection with the issue of Debentures/ Bonds, appoint a person nominated by the Debenture Trustees as a Director on the Board of the Bank (to be referred as "Debenture Director") within the timelines permitted by applicable law.	Appointment of Director nominated by Debenture Trustees.
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RESOLVED FURTHER THAT the Board of Directors of the Bank (which expression shall also include a Committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary and incidental to give effect to the aforesaid Resolution and delegate the aforesaid powers to any Director or officer of the Bank as may be deemed necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution."

Place: Mumbai
Date: May 5, 2023

By Order of the Board of Directors
DCB Bank Limited

Rubi Chaturvedi
Company Secretary

Registered Office:

CIN:L99999MH1995PLC089008
Peninsula Business Park,
6th Floor, 601 & 602, Tower A,
Senapati Bapat Marg,
Lower Parel, Mumbai 400 013.
Website: www.dcbbank.com
e-mail: investorgrievance@dcbbank.com

NOTES:

- 1) Pursuant to the General Circular No. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020,

20/2020 dated May 05, 2020, 02/2021 dated January 13, 2021, 11/2021 dated January 15, 2021, 19/2021 dated December 8, 2021, 21/2021 dated December 14, 2021, 2/2022 dated May 5, 2022 and 10/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs, (including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereto, for the time being in force, and as amended, from time to time) (collectively referred to as "MCA Circulars") holding of the Annual General Meetings (AGM) or other general meetings of the companies are permitted through video conferencing (VC) or other audio visual means (OAVM) till September 30, 2023, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the 28th AGM (the AGM) of the Bank is being held through VC / OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM only.

- 2) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 Members on first come first served basis. This will not include large Members (Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- 3) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, SEBI Circular dated May 12, 2020 and January 15, 2021, the facility to appoint proxy to attend AGM and cast vote for the Members is not available for this AGM and therefore the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the Members such as the President of India or the Governor of a State or body corporate can attend

the AGM through VC/OAVM and cast their votes through e-Voting.

- 4) In line with the MCA Circulars No.17/2020 dated April 13, 2020 and SEBI Circular dated May 12, 2020, Notice of the 28th AGM along with the Annual Report 2022-23 is being sent through electronic mode to those Members whose e-mail addresses are registered with the Bank/ Depositories. Members may note that the Notice and Annual Report for FY 2022-23 will also be available on the Bank's website www.dcbbank.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL (agency for providing the Remote e-Voting facility and e-Voting system during the AGM) i.e. www.evotingindia.com.
- 5) An Explanatory Statement required under Section 102(1) of the Companies Act, 2013 in respect of the business at Item Nos. 4 to 9 of the Notice is annexed hereto.
- 6) The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on general meetings issued by the Institute of Company Secretaries of India (ICSI), in respect of Director seeking appointment/re-appointment in this AGM is annexed.
- 7) The Bank has fixed, Thursday, June 15, 2023 as the Record Date [Cut-off Date] for the purpose of the 28th AGM and reckoning entitlement for voting on the Resolutions contained in this Notice and entitlement for Dividend, if approved by the Members. The remote e-Voting /voting rights of the Members/beneficial owners shall be reckoned on the Equity Shares held by them as on June 15, 2023 (the Cut-off Date) only.
- 7A) All documents referred to in the accompanying Notice, Explanatory Statement, and the terms and conditions of appointment of Directors shall be provided to Members on requests sent through e-mail to investorgrievance@dcbbank.com for inspection by Members of the Bank from the date of circulation of this Notice up to the date of AGM, i.e. Thursday, June 22, 2023.

The Register of Directors and Key Managerial Personnel and their Shareholdings, other Statutory Registers prescribed under the Companies Act, 2013 will be available electronically for inspection at the Registered Office of the Bank from the date of circulation of this Notice up to the date of the AGM, i.e. Thursday, June 22, 2023.

The Certificate from Secretarial Auditor of the Bank certifying that the ESOP Scheme of the Bank is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 will be available electronically for inspection on the date of the AGM, i.e. Thursday, June 22, 2023. Members seeking to inspect such documents can send an e-mail to investorgrievance@dcbbank.com

8) Dividend Related Information

1. Dividend as recommended by the Board of Directors, if approved at the AGM, shall be paid on or before Friday, July 21, 2023 to the eligible Shareholders.

The Shareholders may kindly note that the Bank has fixed, Thursday, June 15, 2023 as the Record Date for the purposes of Dividend, and all the Shareholders whose name appears in the Register of Members as at the Record Date would be entitled to Dividend for the Financial Year 2022-23.

Members holding shares in dematerialized form are requested to intimate before Thursday, June 15, 2023 any change in their address or bank account details (including 9 digits MICR No. 11 digit IFSC Code No. and Core Banking Account No.) to their respective Depository Participants with whom they are maintaining their demat accounts.

Members holding shares in physical form are requested to send immediately to the R&T Agent / Bank a communication duly signed by the first holder intimating about the change of address, along with the self- attested copy of their PAN Card(s), unsigned original cancelled cheque leaf of an active bank account as maintained, and copies of the supporting documents evidencing the change in address. Communication details of R&T agent are as under:

Link Intime India Pvt. Ltd,
C-101, 247 Park, L.B.S. Marg,
Vikhroli West, Mumbai – 400083.
Tel. No.: 022 49186270
Fax No.: 022 49186060
E-mail: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

2. In case the Bank is unable to make payment of Dividend to any Shareholder by the electronic mode due to non-availability of the details of the Bank Account, the Bank shall dispatch Dividend Warrant to such Shareholders by Post.
3. Members may note that as per the Income Tax Act, 1961 ("IT Act"), as amended by the Finance Act, 2020, dividends paid or distributed by the Bank shall be taxable in the hands of the Shareholders and the Bank shall be required to deduct tax at source (TDS) at the prescribed rates from the Dividend to be paid to Shareholders, subject to approval of Dividend by the Shareholders in this AGM. The TDS rate would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Bank. In order to enable the Bank to determine the appropriate TDS rate as applicable, Members are requested to submit relevant documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act.
 - a. For Resident Shareholders, TDS is required to be deducted at the rate of 10% under Section 194 of the Income Tax Act, 1961 on the amount of Dividend declared and paid by the Bank during FY 2023-24, provided valid PAN is registered by the Members. If the valid PAN is not registered, the TDS is required to be deducted at the rate of 20% under Section 206AA of the Income Tax Act, 1961. However, no tax shall be deducted on the dividends paid to resident individuals if aggregate Dividend distributed or likely to be distributed during the FY 2023-24 does not exceed ₹ 5,000 (Rupees Five thousand only). In cases where the Members provide valid Form 15G/ Form 15H no TDS shall be deducted.
 - b. **Instructions regarding TDS for all Shareholders:**

The aforementioned forms for tax exemption can be downloaded from Link Intime's website. The URL for the same is as under:

<https://www.linkintime.co.in/client-downloads.html> - On this page select the General tab. All the forms are available in under the head "Form 15G/15H/10F"

The aforementioned documents (duly completed and signed) are required to be uploaded on the url mentioned below:

<https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> On this page the user shall be prompted to select / share the following information to register their request.

- a. Select the company (Dropdown)
- b. Folio / DP-Client ID
- c. PAN
- d. Financial year (Dropdown)
- e. Form selection
- f. Document attachment - 1 (PAN)
- g. Document attachment - 2 (Forms)
- h. Document attachment - 3 (Any other supporting document)

Please note that the upload of documents (duly completed and signed) on the website of Link Intime India Private Ltd should be done on or before June 15, 2023 in order to enable the Bank to determine and deduct appropriate TDS / Withholding Tax. Incomplete and/or unsigned forms and declarations will not be considered by the Bank. No communication on the tax determination/ deduction shall be considered after June 15, 2023, 6:00 p.m. (IST).

Shareholders may note that in case the tax on said interim/final Dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents, option is available to shareholder to file the return of income as per the Income Tax Act, 1961 and claim an appropriate refund, if eligible.

All communications/ queries in this respect should be addressed to our RTA, Link Intime India Private Limited to its e-mail address:- rnt.helpdesk@linkintime.co.in

Members are requested to link their Aadhaar Number with PAN as required under Section 139AA(2) of the Income Tax Act, 1961 read with Rule 114AAA of the Income Tax Rules, 1962 mandatorily by June 30, 2023. If any PAN is not linked with Aadhaar by June 30, 2023 then such PAN shall become inoperative PAN and TDS could be deducted at higher rates u/s 206AA of the Act.

- c. Nil / lower tax shall be deducted on the Dividend payable to following Resident Shareholders on submission of self-declaration as listed below:

- i) **Insurance companies:** Declaration by shareholder qualifying as Insurer as per section 2(7A) of the Insurance Act, 1938 along with self-attested copy of PAN Card;
- ii) **Mutual Funds:** Declaration by Mutual Fund shareholder eligible for exemption u/s 10(23D) of the Income Tax Act, 1961 along with self-attested copies of registration documents and PAN Card;
- iii) **Alternative Investment Fund (AIF)** established in India: Declaration that the shareholder is eligible for exemption under Section 10(23FBA) of the Act and that they are established as Category I or Category II AIF under the SEBI regulations. Copy of self-attested registration documents and PAN Card should be provided.
- iv) **New Pension System Trust:** Declaration along with self-attested copy of documentary evidence supporting the exemption and self-attested copy of PAN Card.
- v) **Other Shareholders:** Declaration along with self-attested copy of documentary evidence supporting the exemption and self-attested copy of PAN Card.
- vi) Shareholders who have provided a valid certificate issued u/s 197 of the Act for lower / Nil Rate of deduction or an exemption certificate issued by the Income Tax Authorities along with Declaration.
- vii) For Non-Resident Shareholders, (including Foreign Portfolio Investors) Tax would be withheld in accordance with the provisions of Section 195 and 196D of the Income Tax Act, 1961 at applicable rates in force. As per the relevant provisions of the Act, the tax shall be withheld @ 20% (plus applicable surcharge and cess) on the amount of Dividend payable. However, as per Section 90 of the Act, a Non-Resident Shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") between India and the Country of Tax Residence of the shareholder, if they are more beneficial to the shareholder. For this purpose, i.e. to avail the Tax Treaty benefits, Non-Resident Shareholders shall have to furnish the following:

- a. Self-attested copy of PAN Card, if any, allotted by the Indian Income Tax Authorities;
 - b. Self-attested copy of Tax Residency Certificate ("TRC") obtained from the Tax Authorities of the country of which the shareholder is resident;
 - c. Self-attested copy of Form No. 10F furnished on the Income Tax portal or self-declaration (if applicable) in Form No. 10F as per the applicable income tax provisions;
 - d. Self-Declaration by the non-resident shareholder of meeting Treaty eligibility requirement and satisfying beneficial ownership requirement. (Non-resident having Permanent Establishment in India would need to comply with provisions of section 206AB of the IT Act);
 - e. In case of Foreign Institutional Investors and Foreign Portfolio Investors, self-attested copy of SEBI Registration Certificate;
 - f. In case of Shareholder being tax resident of Singapore, please furnish the letter issued by the Competent Authority or any other evidences demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement (DTAA);
- viii) Please note that the Bank is not obligated to apply the beneficial DTAA rates at the time of tax deduction / withholding on Dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Bank, of the documents submitted by non-Resident shareholder.
- ix) Accordingly, in order to enable the Bank to determine the appropriate TDS / withholding tax rate applicable, we request the Members to provide these details and documents as mentioned above before June 15, 2023.
- x) The Bank shall arrange to e-mail the soft copy of TDS certificate within the prescribed timeline under the Income Tax provisions at the registered e-mail ID of Members.

Section 206AB of the Act:

Rate of TDS @10% under Section 194 of the Act is subject to provisions of Section 206AB of Act (effective from July 01, 2021) which introduces special provisions for TDS in respect of non-filers of Income-Tax Return. As provided in Section 206AB, Tax is required to be deducted at higher of following rates in case of payments to specified persons:

- at twice the rate specified in the relevant provision of the Act; or
- at twice the rate or rates in force; or
- at the rate of 5%.

Where Sections 206AA and 206AB are applicable, i.e., the specified person has not submitted the PAN as well as not filed the return; tax shall be deducted at the higher of the two rates prescribed in these two Sections.

The term 'specified person' is defined in sub section (3) of Section 206AB who satisfies the following conditions:

- A person who has not filed the Income Tax return for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted for which the time limit for furnishing the Income Tax Return under sub section (1) of section 139 has expired ; and
- The aggregate of TDS and TCS in his case is ₹ 50,000 or more in the said previous year.

The Non-Resident who does not have a permanent establishment is excluded from the scope of 'specified person'.

Members are requested to inform in advance and before cut-off date i.e., June 15, 2023 if they are covered under the definition of 'specified person' as provided in section 206AB of the IT Act. The Bank reserves the right to recover any demand raised subsequently on the Bank for not informing the Bank, or providing wrong information about applicability of Section 206AB..

Updating of PAN, e-mail address and other details:

Shareholders holding shares in dematerialized mode, are requested to update their records such as Tax Residential Status, Permanent Account Number (PAN), registered e-mail addresses, mobile numbers and other details with their relevant Depositories through their Depository Participants. Shareholders holding shares in physical mode are requested to furnish details to the Bank's Registrar and Share Transfer Agent (RTA). The Bank is obligated to deduct tax at source (TDS) based on the records available with RTA and no request will be entertained for revision of TDS return

Updating of Bank Account details:

Members are also requested to submit / update their bank account details with their Depository Participant in case of holding of shares in the electronic form. In case of shareholding in the physical form, Members are requested to submit a scanned copy of a duly signed covering letter, along with a cancelled cheque leaf having the Member's Name and Bank Account details and a copy of their PAN Card, duly self-attested. This will facilitate receipt of Dividend directly into the Member's bank account. In case the cancelled cheque leaf does not bear the Member's Name, please attach a copy of the bank pass-book statement, duly self-attested.

Kindly note that the aforementioned documents are required to be sent at rnt.helpdesk@linkintime.co.in OR investorgrievance@dcbbank.com

No communication on the tax determination / deduction shall be entertained after June 15, 2023. It may be further noted that in case tax on the said Dividend is deducted at a higher rate in absence of receipt of the aforementioned details / documents from the Members, there would still be an option available with Members to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Bank for such taxes deducted.

For further information, Members are requested to refer to the e-mail communication sent to them in this regard..

- 9) In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Bank will be entitled to vote at the AGM.
- 10) Members holding shares in physical form are requested to address all their correspondence pertaining to change in their name, postal address, e-mail address, mobile number, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc. to the Registrar and Transfer Agents (RTA) viz. Link Intime India Private Limited, C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083 and Members holding shares in dematerialized form should approach their respective Depository Participants for the same.
- 11) The Securities and Exchange Board of India (SEBI) has vide its latest Circular No. SEBI/HO/MIRSD/ MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 mandated furnishing of PAN, KYC details (i.e., Postal Address with Pin Code, e-mail address, mobile number, bank account details) and nomination

details by holders of securities and has extended the timeline till September 30, 2023. Effective from October 1, 2023. In absence of these details updated with the the Registrar and Transfer Agents (RTA), any service requests or complaints received from the Members, is not being processed by the RTA till the aforesaid details/ documents are provided to RTA by the security holders. **If any of the above cited documents/ details are not available on or after October 1, 2023 in the respective Folio(s), the RTA shall be constrained to freeze such Folio(s).**

In view of the above, the Shareholders in physical mode are advised to submit the necessary details for updating to the RTA, as soon as possible. Relevant details and forms prescribed by SEBI in this regard are available on the website of the Bank at <https://www.dcbbank.com/appeal-to-the-shareholders-of-dcb-bank-limited>

- 12) Since transfer of securities of listed companies in physical mode has been discontinued with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities, shares of the Bank are traded on the stock exchanges compulsorily in demat mode and to eliminate all risks associated with physical shares, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Bank or Bank's RTA viz., Link Intime India Private Limited for assistance, if any, in this regard.
- 13) The Members who are holding shares in demat form and have not yet registered their Bank details, e-mail IDs, mobile numbers and other KYC Details are requested to register the same with their Depository Participant at the earliest, to enable the Bank to use the same for making payment of their Dividend, whenever declared, contact them and serving documents to them electronically, hereinafter. Members holding shares in physical mode are requested to provide, if not provided earlier, their e-mail IDs, mobile numbers, Bank Details and other KYC documents including PAN, to the RTA sending an e-mail at rnt.helpdesk@linkintime.co.in or to the Bank at investorgrievance@dcbbank.com or online facility that may be provided and communicated by the RTA separately.
- 14) Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Bank on or before June 17, 2023 through e-mail on investorgrievance@dcbbank.com. The same will be replied by the Bank suitably.

- 15) Since the AGM will be held through VC / OAVM, the route map is not annexed to this Notice.
- 16) **Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Bank, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends (including the Dividend so transferred to the IEPF in the history) are also liable to be transferred to the demat account of the IEPF Authority. Amount of such Unclaimed Dividend for FY 2016-17 along with the underlying shares would be due for transfer to the IEPF in July 2024. In view of this, Members are requested to claim their dividends from the Bank, within the stipulated timeline.**
- 17) Members, whose Dividend has remained unpaid, are requested to contact the RTA viz. Link Intime India Private Limited or Share Department of the Bank to claim their unclaimed Dividend.
- 18) In accordance with the relevant MCA Circulars read with circular dated January 5, 2023 issued by the Securities and Exchange Board of India providing relaxations to the certain provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "Applicable Circulars"), electronic copies of the Integrated Annual Report for FY 2022-23 and this Notice inter-alia indicating the process and manner of e-Voting along with instructions to attend the AGM through video-conferencing / other audio-visual means are being sent by e-mail to those Members whose e-mail addresses have been made available to the Bank / Depository Participants and in physical mode to other Shareholders. The Members who have not registered their e-mail addresses, kindly register the same by sending an e-mail at rnt.helpdesk@linkintime.co.in.
- 19) Members who have not updated their latest e-mail address in the records of the Bank / their Depository Participant, are requested to update the same before June 15, 2023. The Notice and documents will be sent by e-mail only to those Members who register their e-mail addresses prior to this date.
- 20) **E-Voting:**
Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the applicable

MCA Circulars, the Bank is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Bank has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a member using remote e-Voting as well as the e-Voting system on the date of the AGM will be provided by CDSL.

The Bank has appointed Ms. Aparna Gadgil (ACS 14713 & COP 8430) or failing her Mr. S. N. Viswanathan (ACS 61955 & COP 24335) of M/s. S. N. ANANTHASUBRAMANIAN & Co., Company Secretaries, Thane as the Scrutinizer for conducting the remote e-Voting and the voting process at the AGM in a fair and transparent manner. In terms of requirements of the Companies Act, 2013 and the relevant Rules, the Bank has fixed June 15, 2023 as the 'Cut-off Date'. The remote e-Voting /voting rights of the Members/beneficial owners shall be reckoned on the Equity Shares held by them as on the Cut-off Date only

INSTRUCTIONS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

1. The voting period begins on June 19, 2023 at 09.00 a.m. (IST) and ends on June 21, 2023 at 5.00 p.m. (IST). During this period Shareholders of the Bank, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of June 15, 2023 may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter.
2. Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.
3. Pursuant to Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-Voting facility to its Shareholders, in respect of all Shareholders' Resolutions. However, it has been observed that the participation by the public non-institutional Shareholders/retail Shareholders is at a negligible level.

Currently, there are multiple e-Voting service providers (ESPs) providing e-Voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the Shareholders.

In order to increase the efficiency of the voting process SEBI, vide Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020 has mandated to enable e-Voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-Voting process.

In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual Shareholders holding securities in Demat mode** is given below:

4. **(a) Step 1:** Access through Depositories CDSL/ NSDL e-Voting system in case of individual Shareholders holding shares in demat Mode.

Type of Shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi/ Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi/ Easiest are requested to visit cdsi website www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi/ Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at cdsi website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & E-mail as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider’s website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542-43
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

4. **(b) Step 2:** Access through CDSL e-Voting system in case of Shareholders holding shares in physical mode and non-individual Shareholders in demat mode.

Login method for e-Voting and joining virtual meeting for **physical Shareholders and Shareholders other than individual Shareholders holding shares in Demat form.**

- The Shareholders should log on to the e-Voting website www.evotingindia.com.

- Click on “Shareholders” module.
- Now enter your User ID
- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-Voting of any company, then your existing password is to be used.
- If you are a first-time user follow the steps given below:

For Physical Shareholders and other than individual Shareholders holding shares in Demat.

PAN	<p>Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat Shareholders as well as physical Shareholders)</p> <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/ RTA.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field

5. After entering these details appropriately, click on “SUBMIT” tab.
6. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, Shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for Resolutions of any other company on which they are

eligible to vote, provided that company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

7. For Shareholders holding shares in physical form, the details can be used only for e-Voting on the Resolutions contained in this Notice.
8. Click on the Electronic Voting Sequence Number (EVSN) for **DCB Bank Limited** on which you choose to vote.
9. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
10. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
11. After selecting the Resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
12. Once you “CONFIRM” your vote on the Resolution, you will not be allowed to modify your vote.
13. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
14. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system..
15. **Additional Facility for Non-Individual Shareholders and Custodians –For Remote Voting only.**
 - Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual Shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Bank at the e-mail address viz. investorgrievance@dcbbank.com, if they have voted from individual tab & not uploaded same in the CDSL e-Voting system for the scrutinizer to verify the same

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

- The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-Voting.
- The link for VC/OAVM to attend meeting will be available where EVSN of DCB Bank Limited (the Bank) will be displayed after successful login as per the instructions mentioned above for e-Voting.
- Shareholders who have voted through remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- Shareholders are encouraged to join the AGM through laptops for better experience.
- Further, Shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance through e-mail during the period from June 16, 2023 (9.00 a.m. IST) to June 18, 2023 (5.00 p.m. IST) mentioning their name, demat account number/folio number, e-mail id, mobile number at investorgrievance@dcbbank.com.
- The Shareholders who do not wish to speak during the AGM but have queries may send their queries in

advance till June 18, 2023 (5.00 p.m. IST) mentioning their name, demat account number/folio number, e-mail id, mobile number at investorgrievance@dcbbank.com. These queries will be replied to by the Bank suitably by e-mail.

- Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Bank reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- Only those Shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- If any Votes are cast by the Shareholders through the e-voting available during the AGM and if the same Shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such Shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the Shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE E-mail/MOBILE ADDRESSES ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES:

- For Physical Shareholders- Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by e-mail to **Bank's e-mail id** investorgrievance@dcbbank.com or **RTA e-mail id** rnt.helpdesk@linkintime.co.in
- For Demat Shareholders -Please update your e-mail id & mobile no. with your respective Depository Participant (DP).
- For Individual Demat Shareholders - Please update your e-mail id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an e-mail to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services

(India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an e-mail to evoting@cdslindia.com or call on 022-23058542/43.

Other Instructions

The result of the e-voting will be announced within two working days after the conclusion of the meeting on the Bank's website at www.dcbbank.com, website of CDSL at www.evotingindia.com and will be communicated to the Stock Exchanges..

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS

Item No 4

Appointment of Joint Statutory Auditors

The Reserve Bank of India ("RBI") has on April 27, 2021, issued the Guidelines for Appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) ("RBI Guidelines"). In terms of the RBI Guidelines, the Joint Statutory Auditors have to be appointed for a maximum term of three (3) years and, given that the Bank's asset size is more than the stipulated threshold in this regard, the Bank needs to appoint a minimum of two Joint Statutory Auditors.

M/s. S R Batliboi & Associates LLP, Chartered Accountants (Registration No.101049W/E300004), who were appointed as Statutory Auditors of the Bank at the 25th AGM held on July 11, 2020 initially for four years and whose terms were revised from 4 to 3 years in the 26th Annual General Meeting (AGM) of the Bank held on August 13, 2021 to hold office for a period of three (3) years with effect from the Financial Year 2020-21 till (and including) the Financial Year 2022-23, will be completing their terms as a Joint Statutory Auditors after completion of 28th Annual General Meeting of the Bank. Further, M/s. Sundaram & Srinivasan, Chartered Accountants, (ICAI Registration No. 004207S) will be continuing as Joint Statutory Auditors, for their third and final year, i.e. for FY 2023-24, who were appointed as Joint Statutory Auditors of the Bank, at the 26th AGM of the Bank held on August 13, 2021. As the term of M/s. S R Batliboi & Associates LLP, Chartered Accountants was for the FY 2020-21 till the FY 2022-23, M/s. Sundaram and Srinivasan, Chartered Accountants, would need to act as Joint Statutory Auditor of the Bank, with such other Joint Statutory Auditor(s) as the Bank may appoint, subject to the approval of RBI and the Members of the Bank.

As per the RBI guidelines, the Bank is required to obtain prior approval of the RBI for appointment/ re-

appointment of Statutory Auditors on an annual basis. Accordingly, the Board of Directors of the Bank vide its Resolution dated December 9, 2022 had recommended M/s. B S R & Co LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W100022), as the first preferred firm to the RBI for appointment as Joint Statutory Auditors of the Bank, for a period commencing from the conclusion of this 28th Annual General Meeting until the conclusion of the 31st Annual General Meeting of the Bank for a continuous period of three (3) years (from FY 2023-24 to FY 2025-26) subject to the RBI approval for each year and firm satisfying the eligibility norms each year in this regard. Also, the Board of Directors of the Bank had recommended approval of the RBI for the re-appointment of M/s. Sundaram & Srinivasan, Chartered Accountants, (ICAI Registration No. 004207S) for their third and final year for FY 2023-24.

The RBI has vide its letter Ref CO.DOS.RPD.No. S995/08.37.005/2023-24 dated May 11, 2023 has approved the appointment of M/s. Sundaram & Srinivasan, Chartered Accountants (ICAI Registration No. 004207S) and M/s. B S R & Co LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W100022) as the Joint Statutory Auditors of the Bank for the financial year 2023-24, being their third year (final year) and first year respectively.

Brief Profile of M/s. B S R & Co LLP, Chartered Accountants

B S R & Co. LLP is a member entity of B S R & Affiliates, a network registered with the Institute of Chartered Accountants of India.

B S R & Co. LLP is registered in Mumbai, Gurgaon, Bangalore, Kolkata, Hyderabad, Pune, Chennai, Chandigarh, Ahmedabad, Vadodara, Noida, Jaipur, Gandhinagar and Kochi. B S R & Co. LLP has over 4000 staff, 140+ Partners. B S R & Co. LLP audits various companies listed on stock exchanges in India including companies in the financial service sector.

Brief Profile of M/s. Sundaram and Srinivasan, Chartered Accountants

M/s. Sundaram & Srinivasan is a Chartered Accountant (ICAI Firm Registration No. 004207S) established in 1943 and is one of the largest audit firms in South India having 12 partners and offices in Chennai, Madurai, Mumbai and Bangalore.

They have rich and deep experience for over 8 decades in sectors like Manufacturing, NBFC/HFC, Banks, Mutual Funds, Investment Services. Insurance, Healthcare, IT

& ITES, Real Estate, Media, Public sector enterprises, Agriculture and charitable trusts rendering services for more than 350 clients. The audit firm has valid peer review certificate.

Accordingly, the approval of Members of the Bank is required pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the relevant rules made thereunder and pursuant to Section 30 of the Banking Regulation Act, 1949 and guidelines issued by the RBI including any amendments, modifications, variations or re-enactments thereof, for appointment of M/s. B S R & Co LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W100022) who have offered themselves for appointment and have confirmed their eligibility to be appointed as Joint Statutory Auditors of the Bank in terms of Section 141 of the Companies Act, 2013 and applicable Rules and the guidelines issued by RBI dated April 27, 2021, as the Joint Statutory Auditors of the Bank, for the period commencing from the conclusion of this 28th Annual General Meeting until the conclusion of the 31st Annual General Meeting of the Bank for a continuous period of three (3) years (from FY 2023-24 to FY 2025-26) subject to the RBI approval on an annual basis and firm satisfying the eligibility norms each year in this regard, for the purpose of audit including certifications, reporting on internal financial controls of the Bank's account at its head office, branches and other offices with power to the Board, including relevant Committee(s) thereof, to alter and vary the terms and conditions of appointment, remuneration, reimbursement of expenses etc., including by reason of necessity on account of conditions as may be stipulated by the RBI and/ or any other authority, in such manner and to such extent as may be mutually agreed between the Bank and the Joint Statutory Auditors and as may be further approved by the Board from time to time.

Further, subject to applicable law and regulations including the relevant guidelines and circulars of the RBI (as may be amended, restated, modified, replaced from time to time), M/s. B S R & Co LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W100022) and M/s. Sundaram & Srinivasan, Chartered Accountants, (ICAI Registration No. 004207S), the existing continuing Statutory Auditors of the Bank, shall act as Joint Statutory Auditors of the Bank for the remainder of the term of M/s. Sundaram & Srinivasan, and that M/s. B S R & Co LLP, Chartered Accountants shall thereafter act as Joint Statutory Auditors of the Bank with such new Joint Statutory Auditor(s) who will be appointed by the Bank subject to approval of RBI and approval of the Members of the Bank from FY 2024-25 onwards.

M/s. B S R & Co LLP, Chartered Accountants and M/s. Sundaram & Srinivasan, as Joint Statutory Auditors of the Bank shall be paid overall audit fees of ₹ 1.65 crore (Rupees One Crore and Sixty Five Lakhs Only) per annum for FY 2023-24, to be allocated by the Bank between M/s. B S R & Co LLP, Chartered Accountants and M/s. Sundaram & Srinivasan, Chartered Accountants as the Joint Statutory Auditors, as may be mutually agreed between the Bank and the said Joint Statutory Auditors, depending upon their respective scope of work and additionally out of pocket expenses and taxes as applicable.

The Board of Directors recommends the appointment of the M/s. B S R & Co LLP, Chartered Accountants as the Joint Statutory Auditors of the Bank, based on a review of their profile, experience and specialization in audit of banking and financial service sector, for the period commencing from the conclusion of this 28th Annual General meeting until the conclusion of the 31st Annual General Meeting of the Bank for a continuous period of three (3) years (from FY 2023-24 to FY 2025-26) subject to the RBI approval on an annual basis and firm satisfying the eligibility norms each year in this regard. Further, the Board of Directors recommends the re-appointment of M/s. Sundaram and Srinivasan, Chartered Accountants as the Joint Statutory Auditors of the Bank for their third and final year for FY 2023-24.

Your Board recommends the passing of the Resolutions in Item no.4 of the accompanying Notice.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the passing of the Resolutions in item nos. 4.

Item No. 5

Raising of funds by issue of bonds/ debentures/ securities on private placement basis

The Bank has been borrowing funds from time to time to meet the business requirements within the limits approved by the Members by way of issuance of various debt securities, Bonds/Debentures as permitted by the Reserve Bank of India ("RBI") and in accordance with the provisions of the Companies Act, 2013 ("the Act") and rules made thereunder, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ("SEBI ILNCS"), SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (SEBI Listing Regulations) as amended from time to time and other applicable laws/regulation as may be applicable from time to time.

In terms of Section 42 of the Act read with Companies (Prospectus and Allotment of Securities) Rules, 2014, the Bank is permitted to make private placement of securities subject to the condition that the proposed offer of Securities or invitation to subscribe Securities has been previously approved by the Members of the Bank, by a Special Resolution, for each of the offers or invitations/subscriptions. In case of offer or invitation for subscription of non-convertible debentures, it shall be sufficient if the Bank passes a Special Resolution only once in a year for all the offers or invitation for subscription of such debentures during the period of one (1) year from the date of passing of the Special Resolution.

Considering the above, the Board of Directors of the Bank at their meeting held on May 5, 2023 have proposed to obtain the consent of the Members of the Bank for borrowing/ raising funds in Indian/ Foreign currency, by issue of debt securities including but not limited to Unsecured Redeemable Taxable Non-Convertible Subordinated Basel III Compliant Tier II Bonds/ Non-Convertible Debentures (including bonds forming part of Tier I Capital/Tier II Capital in accordance with and subject to the terms and conditions specified in the Basel III Capital Regulations prescribed by the RBI), long terms infrastructure bonds or such other bonds as may be permitted by the RBI from time to time in domestic and/ or overseas market, on private placement basis and/ or for making offers and /or invitations therefor and /or issue(s)/ issuances therefor, on private placement basis, for a period of one year from the date hereof, in one or more tranches and/ or series and under one or more shelf disclosure documents and/ or one or more letters of offer and on such terms and conditions for each series/ tranches including the price, coupon, premium, discount, tenor etc. as deemed fit by the Board or any committee(s) thereof or such other persons as may be authorized by the Board, as per the structure and within the limits permitted by the RBI, of an amount not exceeding ₹ 500 crore (Rupees Five Hundred crore) over and above the outstanding debt securities issued by the Bank and in aggregate for additional Tier I and Tier II Capital within the overall borrowing limits of the Bank, as approved by the Members from time to time. This would form part of the overall borrowing limits under Section 180(1)(c) of the Companies Act, 2013.

The pricing of the debt securities referred above depends on various factors which may primarily include the rates prevailing for risk free instruments, rates on other competing instruments of similar rating and tenor in the domestic or overseas markets, investor appetite for such instruments and prevailing investor regulations. Further, the debt securities may be issued on such terms and

conditions including the price, coupon, at par/ premium/ discount, tenor etc., as may be determined by the Board any committee(s) thereof or such other persons as may be authorized by the Board, depending upon the prevailing market conditions, as permitted under the applicable laws/regulations.

The proposed Resolution shall be valid for a period of one (1) year from the date of passing of this Resolution and the offer shall be made to such persons as identified ("Eligible Investors") pursuant to the Act, SEBI ILNCS, and other applicable laws/ rules/ regulations as may be applicable to the Bank from time to time.

Accordingly, the approval of Members is being sought by way of a Special Resolution as set out at in Item No. 5 of this Notice.

Your Board recommends passing of the Special Resolution as set out in Item No. 5 of this Notice for approval by the Members of the Bank.

None of the Directors or Key Managerial Personnel of the Bank and/ or their relatives are concerned or interested in the passing of this Resolution.

Item No. 6

Issue of Equity Shares/ other securities convertible into Equity Shares ("Securities") through Qualified Institutions Placement (QIP)

The proposed Resolution relates to the proposed issue of Equity Shares or other securities convertible into Equity Shares through Qualified Institutional Placement (QIP) as defined in the text of the Special Resolution thereat to Qualified Institutional Buyers as defined under Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations") for an amount not exceeding ₹500 Crore (Rupees Five Hundred Crore only).

The Bank proposes to grow secured retail assets (e.g. housing loans, gold loans etc.), Micro SME / SME, Mid Corporate, Agriculture and Microfinance businesses. The risk weighted assets of the Bank are expected to rise with increase in the business level. In this backdrop, the Bank proposes to shore up its capital base through issue of Equity Shares. Assuming maintenance of conservative ratio of 11.50% capital adequacy on incremental assets, the proceeds of the issue of Equity Shares would enable the Bank to add approximately ₹4,348 crore of risk weighted assets.

The proposed issuance of Equity Shares in terms of the Special Resolution in the Notice will be in conformity

with the provisions of all applicable laws/ regulations. The detailed terms and conditions for the issuance of the Equity Shares as and when made will be determined by the Board in consultation with the Merchant Bankers, Lead Managers, Advisors and such other authorities as may require to be considered by the Bank, considering the prevailing market conditions and other relevant factors. The Special Resolution seeks to give the Board powers to issue Equity Shares in one or more tranches at such time or times, at such price or prices, and to such of the Investors as are mentioned therein as the Board in its absolute discretion deems fit.

Since the Special Resolution proposed in the Notice under Item No.6 may or will result in the issue of Equity Shares of the Bank otherwise than to the Members of the Bank, consent of the Members is being sought pursuant to the provisions of Sections 62(1)(c) and other applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in terms of the Special Resolutions in the Notice. The Board recommends the Special Resolution as set out in Item No. 6 of the accompanying Notice, for approval of the Members.

The Directors, Key Managerial Personnel of the Bank and their relatives may be deemed to be concerned or interested in the Special Resolution as set out in Item No. 6 to the extent that their respective percentage shareholding in the Bank may be affected in case of issue of Equity Shares to the Investors pursuant thereto.

Item No. 7

To approve the appointment of Ms. Lakshmy Chandrasekaran (DIN: 00240466) as an Independent Director of the Bank

The Board of Directors of the Bank, based on the recommendation of the Nomination and Remuneration Committee (NRC), and pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") read with the Article of Association of the Bank, had approved

the appointment of Ms. Lakshmy Chandrasekaran as an Additional Independent Director, not liable to retire by rotation, for a period of three (3) years with effect from April 14, 2023 to April 13, 2026 (both days inclusive), subject to the approval of the Members of the Bank.

In terms of Section 160 of the Companies Act, 2013, the Bank has received a notice from a member proposing the candidature of Ms. Lakshmy Chandrasekaran as a Director of the Bank.

The Bank has received the declarations from Ms. Lakshmy Chandrasekaran to the effect that fulfils all criteria for independence as provided under Section 149(6) of the Act and Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and meets the Fit and Proper criteria prescribed by the Reserve bank of India ("RBI") and other applicable guidelines/circulars issued from time to time.

Ms. Lakshmy Chandrasekaran is qualified to be appointed as a Director in terms of Section 164 of the Act and has given her written consent to act as a Director of the Bank.

In terms of the Companies (Creation and Maintenance of databank of Independent Directors) Rules, 2019 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, Ms. Lakshmy Chandrasekaran has enrolled her name in the online databank of Independent Directors maintained by the Government of India.

Accordingly, the approval of the Members is sought for the appointment of Ms. Lakshmy Chandrasekaran as an Independent Director, not liable to retire by rotation, to hold office for a period of three (3) years, from April 14, 2023 to April 13, 2026 (both days inclusive).

Brief profile of Ms. Lakshmy Chandrasekaran in terms of the SEBI Listing Regulations and the Secretarial Standard on the General Meetings ("SS-2") has been provided in this Explanatory Statement as under:

Name of Director	Ms. Lakshmy Chandrasekaran
Director Identification Number (DIN)	00240466
Designation/category of the Director	Independent Director
Age	57 years
Date of the first appointment on the Board	April 14, 2023
Number of Meetings of the Board attended during the year	1 (till the date of this Notice)
Qualifications	B.Com, FCA

Brief Profile and Experience	Ms. Lakshmy Chandrasekaran is a Chartered Accountant by qualification. She also holds a diploma in Internal Financial Reporting and Information Systems and has over 35 years' of experience in the field of Accountancy, Finance, Taxation, and Risk Management. She is a Senior Partner of M/s. P. Chandrasekar LLP, Chartered Accountants, a leading firm of Chartered Accountants, established in the year 1988 specializing in the field of Auditing, Taxation, Corporate Advisory Services, Management Consulting Services, Due diligence, Valuations, Inspections and Investigations. With over 31 years of experience as an Audit partner for Listed and Unlisted Entities besides NBFCs and Public and Private Sector Banks, for the last many years. Also, in charge of Risk Management, Quality Assurances, Governance of Clients and Financial Consultancy to Medium and Large Business Organisations. She is also a partner in charge of Due Diligence and Fraud Detection in Corporate Accounting and Finance and technical aspects of Systems Control and Data Managements.
Expertise/ Skills in specific functional areas	Accountancy, Finance and Risk Management
Directorships held in other companies (excluding foreign companies) as on date of this Notice	Bhat Investments Private Limited-Non-Executive Director
Memberships / Chairmanships of committees of other companies (excluding foreign companies) as on date of this Notice	None
Resignation from the listed entities during past 3 years	None
Relationship between Directors inter-se and Key Managerial Personnel of the Bank	None
Shareholding in the Bank including shareholding as a beneficial owner	Nil
Terms and Conditions of appointment / re-appointment including Details of Remuneration sought to be paid	Ms. Lakshmy Chandrasekaran shall be appointed as an Independent Director, not liable to retire by rotation, to hold office for a period of three (3) years, from April 14, 2023 to April 13, 2026 (both days inclusive). As an Independent Director, Ms. Chandrasekaran will be entitled to sitting fees and reimbursement of expenses for attending the meetings of the Board and Committees.
Justification for appointment and skills and capabilities required for the role and the manner in which the proposed person meets such requirements	The Board of Directors of the Bank is of the opinion that Ms. Lakshmy Chandrasekaran is a person of integrity and considering her qualifications, extensive knowledge and rich experience in the field of Accountancy, Finance, and Risk Management, appointment of Ms. Chandrasekaran is in the interest of the Bank. Her association would be of immense benefit and value to the Bank and, therefore, the Board recommends her appointment as an Independent Director to the Members.

Your Board of Directors recommend passing of the Special Resolution set out in Item No. 7 of the accompanying Notice.

Except Ms. Lakshmy Chandrasekaran and/or her relatives, no other Directors, Key Managerial Personnel of the Bank or their respective relatives are in any way concerned or interested, financially or otherwise, in the said Special Resolution. Ms. Chandrasekaran is not related to any of the Directors or Key Managerial Personnel of the Bank

Item No.8

To take note of the appointment of Mr. Farokh Nariman Subedar (DIN: 00028428) as Non-Executive Part-Time Chairman of the Bank and to approve payment of remuneration

The Board of Directors of the Bank based on the recommendation of the Nomination and Remuneration Committee (NRC), pursuant to Section 161(1) of the

Companies Act, 2013 ("the Act") had approved the appointment of Mr. Farokh Nariman Subedar as an Additional Independent Director of the Bank, not liable to retire by rotation, for a period of three (3) years with effect from October 15, 2022 to October 14, 2025 (both days inclusive), subject to the approval of the Members of the Bank. Further, the Shareholders of the Bank, through postal ballot dated December 20, 2022, had approved the appointment of Mr. Farokh Nariman Subedar as an Independent Director of the Bank for a period of three (3) years, from October 15, 2022 to October 14, 2025 (both days inclusive).

Pursuant to the recommendations of the Board of Directors of the Bank, the Reserve Bank of India vide its letter Ref.DoR.GOV.No.S6961/29.03.002/2022-23 dated January 31, 2023 approved the appointment of Mr. Farokh Nariman Subedar as Non-Executive Part-Time Chairman of the Bank for 3 (three) years with effect from January 31, 2023 till January 30, 2026 and approved the payment of remuneration as proposed in the Resolution.

Your Directors, therefore, recommend the passing of the Special Resolution as set forth in Item No. 8 of this Notice, to take note of the appointment of Mr. Farokh Nariman Subedar as Non-Executive Part-Time Chairman of the Bank and to approve payment of remuneration to him as proposed in the Resolution.

Except Mr. Farokh Subedar and his relatives, none of the other Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the above Resolution.

Item No. 9

Alteration of Articles of Association of the Bank

The Securities and Exchange Board of India ("SEBI") has amended the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ("NCS Regulations") effective from February 2, 2023. Pursuant to the said amendment, the Bank needs to ensure that its Articles of Association shall provide for appointment of person nominated by the Debenture Trustees as a director on the Board of the Bank in terms of regulation 15(1)(e) of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 ("DT Regulations").

Pursuant to the above amendment, and as per the regulation 15(1)(e) of DT Regulations as stated above, it

shall be the duty of every Debenture Trustee to appoint a nominee director on the Board of the Bank in the event of (i) two consecutive defaults in payment of interest to the Debenture Holders; or (ii) default in creation of security for debentures; or (iii) default in redemption of Debentures. Accordingly, in case of any of the mentioned defaults, the Bank shall be required to appoint the person nominated by the Debenture Trustees as a director on the Board of Bank, within one month from date of receipt of nomination from the Debenture Trustee or such other timelines permitted by the law.

The Bank is required to comply with the above requirement of insertion of above clause in the Article of Association of the Bank on or before September 30, 2023. The Board of Directors of the Bank at their meeting held on May 5, 2023 have, subject to the approval of the Members of the Company by way of Special Resolution, approved the alteration to the Articles of Association of the Bank.

A copy of the Articles of Association of the Bank with proposed alteration would be available for inspection for the Members by writing to the Company Secretary at investorgrievance@dcbbank.com

The Board of Directors recommends the passing of the Special Resolution as set out in Item No. 9 of the Notice.

None of the Directors, Key Managerial Personnel of the Bank and/ or their relatives are Key Managerial Personnel of the Bank and their relatives, are directly or indirectly, concerned or interested in the Resolution set out at Item No. 9

By Order of the Board of Directors
DCB Bank Limited

Place: Mumbai
Date: May 5, 2023

Rubi Chaturvedi
Company Secretary

Registered Office:

CIN:L99999MH1995PLC089008
Peninsula Business Park,
6th Floor, 601 & 602, Tower A,
Senapati Bapat Marg,
Lower Parel, Mumbai 400 013.
Website: www.dcbbank.com
e-mail: investorgrievance@dcbbank.com

Details of Mr. Iqbal Khan, who retires by rotation and being eligible, offers himself for re-appointment in the 28th Annual General Meeting of the Bank (Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), are given below:

Name of Director	Mr. Iqbal Khan
Director Identification Number (DIN)	07870063
Designation/category of the Director	Non-Executive, Non-Independent Director
Age	45 years
Date of the first appointment on the Board	July 15, 2017
Number of Meetings of the Board attended during the year	10
Qualifications	LL.B. / JD / BSc Computer Science
Brief Profile and Experience	Mr. Iqbal Khan, a Non-Executive Non Independent Director of the Bank, is a Senior Partner at Shardul Amarchand Mangaldas & Co. and a member of the Private Equity and Mergers & Acquisitions Practice Group. He advises some of the largest sovereign wealth funds, global private equity funds and strategic corporate, and specializes in private equity investments, private and public mergers and acquisitions (both domestic and cross-border), joint ventures and foreign investment laws. Mr. Iqbal finished his J.D. from Columbia Law School (as a Harlan Fisk Stone Scholar) and LLB. From London School of Economics and Political Science. Mr. Iqbal has also worked at Kirkland & Ellis LLP, New York and at Paul, Weiss, Rifkind, Wharton & Garrison LLP, New York. He is enrolled with the Bar Council of Maharashtra & Goa
Expertise/ Skills in specific functional areas	Law, Merger & Acquisitions and Strategic Options
Directorships held in other companies (excluding foreign companies) as on date of this Notice	None
Memberships / Chairmanships of committees of other companies (excluding foreign companies) as on date of this Notice	None
Resignation from the listed entities during past 3 years	None
Relationship between Directors inter-se and Key Managerial Personnel of the Bank	None
Shareholding in the Bank including shareholding as a beneficial owner	NIL
Terms and Conditions of appointment / re-appointment including Details of Remuneration sought to be paid	Mr. Iqbal Khan shall be re-appointed as a Non-Executive Non Independent Director, liable to retire by rotation. As a Non-Executive Non Independent Director, Mr. Iqbal Khan will be entitled to sitting fees and reimbursement of expenses for attending the meetings of the Board and Committees.
Justification for appointment and skills and capabilities required for the role and the manner in which the proposed person meets such requirements	The Board of Directors of the Bank is of the opinion that Mr. Iqbal Khan continued to be a person of integrity and considering his qualifications, extensive knowledge and rich experience in the field of Law, Merger & Acquisitions and Strategic Options, re-appointment of Mr. Iqbal Khan is in the interest of the Bank. His continuous association would be of immense benefit and value to the Bank and, therefore, the Board recommends his re- appointment as a Non-Executive Non Independent Director, to the Members.

DIRECTORS' REPORT

Your directors are pleased to present the Twenty-Eighth Annual Report of DCB Bank Limited (hereinafter referred to as the Bank/Your Bank/DCB Bank) together with the audited accounts for the Financial Year ended March 31, 2023 (FY 2023).

In FY 2023, the Bank has posted an Operating Profit of ₹ 786.73 Crore (FY 2022 ₹ 796.98 Crore) and Net Profit of ₹ 465.56 Crore (FY 2022 ₹ 287.50 Crore).

Total Assets have increased by ₹ 7,573.31 Crore and reached ₹ 52,365.87 Crore as on March 31, 2023 (₹ 44,792.56 Crore as on March 31, 2022).

Customer Deposits have increased by ₹ 5,859.50 Crore and Advances have increased by ₹ 5,284.96 Crore. Your Bank continues to make significant contribution to Priority Sector Lending (PSL) and has achieved the overall PSL target as required by the Reserve Bank of India (RBI).

The Net Interest Margin (NIM) was 3.93% in FY 2023 as compared to 3.56% in FY 2022 and the Current and Savings Accounts (CASA) ratio stood at 26.42% as on March 31, 2023.

Cost to Income Ratio has increased to 63.00% in FY 2023 from 55.96% in FY 2022. Total Branch network stood at 427 as on March 31, 2023 (400 as on March 31, 2022) and Automated Teller Machines (ATMs) network was 396 as on March 31, 2023 (349 as on March 31, 2022).

Provisions Other Than Tax have decreased to ₹ 159.17 Crore in FY 2023 from ₹ 407.43 Crore in FY 2022. Your Bank has been making conservative provision for Non-Performing Assets (NPA) and Covid-19 related restructured loans. In addition, the Bank has also been making periodic Floating Provision and provision against Standard Assets.

Gross NPAs have decreased to ₹ 1,122.84 Crore as on March 31, 2023 from ₹ 1,289.93 Crore as on March 31, 2022. Consequently, Gross NPA Ratio as on March 31, 2023 was 3.19% as compared to 4.32% as on March 31, 2022. Net NPAs have decreased to ₹ 356.92 Crore as on March 31, 2023 as against ₹ 573.23 Crore as on March 31, 2022. Consequently, Net NPA Ratio as on March 31, 2023 was 1.04% as compared to 1.97% as on March 31, 2022. The overall NPA Provision Coverage Ratio as on March 31, 2023 was 79.34% (67.84% as on March 31, 2022).

Return on Assets (RoA) Ratio in FY 2023 was 0.97% as compared to 0.70% in FY 2022. Corresponding Return on Equity (RoE) Ratio in FY 2023 was 11.70% as compared to 7.92% in FY 2022.

Capital Adequacy Ratio (CAR) under Basel III as on March 31, 2023 stood at 17.55% (18.92% as on March 31, 2022).

FINANCIAL SUMMARY

(₹ in crore)

Balance Sheet	As at March 31, 2023	As at March 31, 2022	Increase / (Decrease)
Customer Deposits	37,139.76	31,280.26	5,859.50
Inter Bank Deposits	4,099.15	3,411.43	687.72
Total Deposits	41,238.91	34,691.69	6,547.22
[Including Total CASA*]	[10,895.61]	[9,281.08]	1,614.53
Advances	34,380.74	29,095.78	5,284.96
Gross - NPA	1,122.84	1,289.93	(167.09)
Net - NPA	356.92	573.23	(216.31)
Total Assets	52,365.87	44,792.56	7,573.31

* Current and Savings Accounts (CASA)

Profit & Loss	For the year ended March 31, 2023	For the year ended March 31, 2022	Increase / (Decrease)
Interest Income	4,200.27	3,512.77	687.50
Interest Expense	2,483.26	2,155.26	328.00
Net Interest Income	1,717.01	1,357.51	359.50
Non-Interest Income	409.39	452.04	(42.65)
Total Operating Income	2,126.40	1,809.55	316.85
Operating Cost	1,339.67	1,012.57	327.10
Operating Profit	786.73	796.98	(10.25)
Provisions Other than Tax	159.17	407.43	(248.26)
Net Profit Before Tax	627.56	389.55	238.01
Tax	162.00	102.05	59.95
Net Profit After Tax	465.56	287.50	178.06

DIVIDEND

Your Board is pleased to recommend a dividend of ₹ 1.25 per equity share of ₹ 10.00 each in respect of Financial Year ended March 31, 2023 (₹ 1.00 per equity share of ₹ 10.00 each for the Financial Year ended March 31, 2022).

MANAGEMENT DISCUSSION AND ANALYSIS

VISION

The Bank's vision is to be the most innovative and responsive neighbourhood bank in India serving entrepreneurs, individuals, and businesses. In line with this vision, the Bank began implementing a new strategy in FY 2010.

TARGET MARKET

Keeping in view its inherent strengths, branch network and expertise, the Bank's target market is mainly small business owners / self-employed / small business segment (traders, shopkeepers, business owners, Micro, Small & Medium Enterprises (MSMEs) and (Small and Medium-sized Enterprises (SMEs). The MSME/SME sector is a vibrant and dynamic sector of the Indian economy and plays a very important role in the growth of the Indian economy. This segment is usually resilient (once again demonstrated post Covid-19 pandemic) and displays entrepreneurial spirit. Small enterprises create millions of jobs and maintain social stability. The MSME sector plays a pivotal role in the economic and social development of the country. As per estimates the MSME sector contributes around 30% to India's GDP.

Some useful information on the MSME sector is given below:

- Number of Working Enterprises: 63.4 million, Employment: 111 million individuals
- Urban: 49%, Rural: 51%
- Manufacturing: 32%, Trade 35%, Other Service: 33%
- Sole Proprietor: 96%

(Source: Annual Report FY 2021-22 Government of India, Ministry of Micro, Small and Medium Enterprise)

DCB BANK CUSTOMERS

Your Bank provides banking services to a varied base of business owners, self-employed / small businesses for example – Commodity Trader, Gold Trader, Vegetable Trader, Commission Agent, Retailer, Restaurant Owner, Caterer, Baker, Vending Machine Supplier, Consultant, Doctor, Contractor, Interior Decorator, Software Designer, Salon, Beauty Parlour, Printer, Electrical Engineer, Saw Mill, Flour Mill, Rice Mill, Grocery Store, Brick Maker, Builder, Fabricator, Artist, Writer, Auto Repair, Ship Repair, Pharmacy, Computer Specialist, Furniture Maker, Uniform

Maker, Garment Shop, Fashion Tailor, Hardware Shop, Agri Processor, Pesticide Dealer, Auto Dealer, Scrap Dealer, Stationery Supplier, FMCG or Consumer Goods Dealer, Tool Maker, Agri Input Dealer, Tractor Dealer, Plastic Manufacturer, Mattress Manufacturer, Water Supplier, Computer Training Classes, Internet Café, Coaching Classes, Tour Operator, Hotel Owner, Transporter, Ticketing Agent, C&F Agent, amongst others. The list of Self-Employed occupation is endless. The target market is essentially Micro, Small and Medium Enterprises both in Manufacturing and Services. (Please refer to MSMED Act, 2006). Majority of lending to MSME sector qualifies for Priority Sector Lending. A major share of deposits and loans of the Bank are from the self-employed segment.

CREDIT RATINGS

During the year FY 2023, CRISIL Ratings Limited has re-affirmed the Bank's rating for Tier II Bonds (under Basel III) as CRISIL AA-/Stable and re-affirmed its rating of the Bank's Certificates of Deposit Programme and Short-term Fixed Deposit Programme as CRISIL A1+.

During FY 2023, ICRA Limited has reaffirmed the rating for Tier II Bonds as ICRA A+ with revision in outlook to Positive from Stable and re-affirmed its rating on the Bank's Short-term Fixed Deposit Programme as ICRA A1+. Further, at the request of the Bank, ICRA Limited has discontinued the rating of Tier II Bonds that got matured during the year.

AWARDS AND RECOGNITION

Your Bank continued to be recognized for its progress and initiatives across verticals. The details of various awards/recognitions received by your Bank during FY 2023 are given below:

Corporate Social Responsibility (CSR)

Your Bank was recognized as India's Best Bank for CSR 2022 by Asiamoney. The Bank won Euromoney Market Leaders CSR (Notable) 2022 by Euromoney. Groundwater depletion, which also endangers the availability of food, is becoming a widespread concern. Community organisations manage and maintain water collecting systems in Banki block, Cuttack district, Odisha to ensure year-round cultivation and sustainable livelihoods for themselves and the next generation. The project's impact includes the creation or restoration of 6 water harvesting structures, impacting 40,615 beneficiaries, with an estimated 18 Crore liters of water storage capacity, benefiting 2,140 acres of irrigated land, and creating approximately 4.75 lakh square feet surface area by way of ponds and tanks. Within the communities, we are promoting, building capacity for resilience to climate

change. For the Livelihood Improvement Project in Banki, the DCB Bank CSR project has been recognized by Asiamoney as India's Best Bank for CSR 2022. Moreover, DCB Bank CSR project has been recognized by Euromoney as Market leader CSR (Notable) 2022.

DCB Bank won the Gold in ACE (Asian Leaders Awards for Branding, Marketing, and CSR) 2022. The Bank's CSR partnership project of Livelihood Improvement Project (LIP) through Integrated Watershed Management in Banki, Odisha in collaboration with Concern India Foundation for water conservation and restoration won the Best Corporate (Non-profit Partnership category).

Human Resources (HR)

Your Bank continues to be recognized as a Great Place to Work (GPTW) Certified organization for building a High Trust, High Performance Culture. The Bank has been recognized as Top 40 India's Best Workplaces in Health & Wellness 2022 and has been featured amongst Top 50 Best places to work in BFSI, both recognitions have been conferred by GPTW.

Information Technology (IT)

During FY 2023, your Bank has participated in various events and has been recognized and awarded.

- DCB Bank won 3rd Annual BFSI Technology Excellence Awards 2022 for Blockchain Initiatives-automated process for ATM cash replenishment.
- DCB Bank won 7th Banking Frontiers Finnoviti Awards 2022 for Social Command Center that helped the Bank in tracking posts more real-time with far better turnaround times.

BRANCH EXPANSION / ATMs

The number of branches, as on March 31, 2023, stood at 427 [233 Retail branches and 194 branches in Agri and Inclusive Banking (AIB)]. Of these, 80 branches are in rural areas (approximately 19%) and 108 branches are in semi-urban areas (approximately 25%). The new branches have a standard look and feel; and they are designed to provide a unique, positive, and seamless banking experience to customers. The Bank had 396 ATMs as on March 31, 2023.

RETAIL BANKING

Retail Banking offers unique products for meeting financial needs of individuals and businesses. The Bank follows a multi-product approach which results in "all products being offered in all branches" subject to customer demand

in the branch catchment area. To remain competitive, the Bank is particular about the quality and timeliness of service delivery. The Bank has a wide range of products that caters to the various needs of the customers.

Fixed Deposits

Your Bank continues to be amongst the top banks in India in terms of offering attractive interest rates in both Savings Accounts and Fixed Deposits. In FY 2023, the Bank continued to build its granular deposits by offering attractive benefits and interest rates in Savings Accounts and longer tenor Fixed Deposits. In Fixed Deposits, the Bank has two unique propositions - DCB Suraksha Fixed Deposit and DCB Health Plus Fixed Deposit. DCB Suraksha Fixed Deposit provides free Life Insurance coverage up to ₹10 lakh and DCB Health Plus Fixed Deposit provides a basket of health benefits like free consultation with doctors, reimbursement of pharmacy expenses and ambulance services. The Bank has also started offering Non-Callable Fixed Deposits for retail customers (below ₹ 2 Crore) to boost the retail deposit growth.

The Bank's Savings Account and Fixed Deposit book recorded a growth of 23 % and 19 % respectively over the FY 2022. The top 20 deposits ratio, which was at 6.31% at start of the year, slightly increased to 6.96 % at the end of FY 2023.

Mortgage and Micro Mortgage Loans

Mortgage is the prime lending product for the Bank and is contributing more than 50% of the Bank's Advances book. As part of the Mortgage business, the Bank offers both Home Loans and Business Loans to self-employed and salaried segments in the neighbourhood areas of the Bank's branches. The purpose of these loans, inter alia, are property purchase, home improvement, home repairs, business requirements (purchase of plant and machinery, purchase of stocks, purchase of shops, working capital) and personal expenses such as education, marriage or medical. Micro or small ticket Mortgages are most suitable in Tier 2 to Tier 6 locations. Many people in the rural and semi-urban areas derive cash income from informal sectors or trades. At times, many customers do not have sufficient documents to prove their income / repayment capacity for obtaining loans. The Bank has demonstrated the ability to assess the household income for such customers by adopting a method of in-depth personal discussions with the borrowers and co-borrowers. Apart from creating a robust portfolio, the Bank has been able to achieve financial inclusion goals. Most of these micro loans qualify under the Priority Sector Loan (PSL) norms of the RBI. A part of the Bank's portfolio qualifies for long term

refinance from National Housing Bank (NHB).

The Mortgages business expanded very well during the year with increased sourcing from the selected segments and more focus on home loans. The Bank increased its distribution in the Mortgage business by adding frontline headcount and expanding geographic presence.

Construction Finance (CF)

The construction sector is an important contributor to the growth of the economy. Affordable housing in both rural and urban areas is one of the key thrust areas for the Government of India. The implementation of Real Estate Regulation & Development Act, 2016 in most states, has brought in much needed transparency in this sector, creating favorable conditions for home buying and financing. The Bank's approach is to focus on reputed builders with a strong track record of delivery who are primarily concentrating in the affordable and mid-segment housing segment. At the same time, the strategy is to be cautious and limit exposure per builder / project. The Bank has established processes to monitor sales, collections and utilization of funds towards project completion. In FY 2023, the country witnessed many new projects launches resulting in strong buying in the affordable and mid-segment housing units across most of the geographies. The Bank expects sizable opportunity in lending to affordable and mid-segment housing projects.

Commercial Vehicle (CV) Loans

The Bank offers CV Loans to existing customers. Most of the CV portfolio is categorized as PSL. During difficult Covid-19 pandemic, the Bank supported CV customers on a case-to-case basis by offering regulatory packages and Emergency Credit Linked Guarantee Scheme (ECLGS).

Loan against Gold

Loan against Gold is offered in most of the branches of the Bank. The Bank has focused on improving customer experience and service by continuously investing in process improvements through in-housing of valuation process and significant overhaul of the front-end system used for loan processing. Most of the verification and validation processes have been automated leading to faster turnaround and improved customer experience. The Bank has invested in improving controls in order to avoid operating errors and fraud losses.

Insurance and Mutual Funds Distribution

The Bank has corporate agency tie-ups for distribution of life insurance, health insurance and general insurance. The Bank also has referral tie ups for mutual fund distribution.

This enables the Bank to deepen customer relationships in addition to increasing fee income.

Traditional Community Banking

In FY 2010, with a vision of strengthening neighbourhood banking, the Bank set up a separate vertical to focus on Traditional Community Banking. The aim was to address the specific needs of the vintage neighbourhood community customers and to provide personalized solutions wherever possible. This perhaps is the purest form of neighbourhood banking and is directed towards addressing small credit needs such as education, personal, business and working capital.

Non-Resident Indian (NRI) business

In FY 2023 there was greater focus on growing the NRI deposit base as customers were able to travel to India after Covid-19 disruptions. NRI Savings Account balances grew by 20% and FCNR (B) deposits grew by more than 70% during the year. The Bank has NRI customers from 128 countries and it contributes to 8.55% of total customer deposits.

Government business (Collection of Direct and Indirect Taxes)

The Bank has been authorized by the Reserve Bank of India, Central Board of Direct Taxes (CBDT), Central Board of Indirect Taxes and Customs, Controller General of Accounts and Ministry of Finance to collect various kinds of Direct and Indirect Taxes. After technology integration, DCB Bank account holders will be able to pay their Direct and Indirect Taxes through Internet banking as well as at branches, resulting in significant ease and convenience. Non-account holders will be able to avail of the services at branches. The Bank expects to make collection of Direct Taxes available in the first quarter of FY 2024. In terms of collection of Indirect Taxes, the Bank expects the same to be available in the second half of FY 2024.

COLLECTIONS AND RECOVERIES

The Bank's in-house Collections unit is a common utility for all products and is present in more than 304 locations across India. The Collection unit played a vital role in assisting customers in a sensitive manner during and post Covid-19 including management of the Restructured Advances. The unit has also been very proactive in identifying vulnerable customers and offering them suitable solutions within RBI guidelines. Despite the challenges posed by Covid-19, the unit has managed to balance its customer-centric approach with maintaining adequate risk management practices. The unit also embraced automation to streamline loan collections

and improve customer experience. The unit has enabled self-service options, allowing customers to initiate and manage their repayment through digital channels. The unit's use of technology has contributed significantly to its success in managing overall portfolio with improved Non Performing Asset (NPA) while maintaining a customer-centric approach.

STRATEGIC ALLIANCES

One of the key strategies of the Bank is to enter alliances with entities whose products and services enable the Bank to improve customer acquisition and retention. Apart from new and enhanced products, the alliances help in speed to market.

The various strategic alliances and business association of your Bank are given below:

Bancassurance

Name of the Partner	Type of arrangement
Aditya Birla Health Insurance Company Ltd	Corporate Agency for insurance sales
Aditya Birla Sun Life Insurance Company Ltd	Corporate Agency for insurance sales
HDFC Life Insurance Company Ltd	Corporate Agency for insurance sales
ICICI Lombard General Insurance Company Ltd	Corporate Agency for insurance sales
Royal Sundaram General Insurance Company Ltd	Corporate Agency for insurance sales

Service Partners

Name of the Partner	Type of arrangement
Euronet Services India Limited	ATM and Switch Management
Aditya Birla Finance Ltd.	Lending Business

Fintech Alliances

Name of the Partner	Type of arrangement
Finnew Solutions Private Limited (Niyo)	Global Niyo Card Management
Greenizon Agritech Consultancy Private Limited	Agri Supply Chain Financing Business
Dvara E Registry P Limited	Agri Farmer Loans Business
Ninjacart P Limited	Agri Supply Chain Financing Business

Trade Receivables Discounting System (TReDS) Alliances

Name of the Partner	Type of arrangement
Mynd Solution Private Limited (M1xchange)	Lending on TReDS Platform
Receivables Exchange of India Ltd (RXIL)	Lending on TReDS Platform
A. TReDS Limited (Invoicemart)	Lending on TReDS Platform

CORPORATE BANKING (CB)

The Bank's intention is to have a niche presence in Corporate Banking. This business operates across India with regional offices in Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Kolkata, and Mumbai. The objective is to provide a complete range of commercial banking solutions including Foreign Exchange, Trade Finance and Cash Management. The Bank has a robust underwriting and credit system to address the inherent risks in Corporate Banking. The emphasis is on building a secured loans portfolio and creating long term relationships with high quality large and mid-corporates. Corporate Bank during the year maintained a stable loan book while continuing to build on the short-term products. This unit is also responsible for cross-selling other products of the Bank including raising wholesale Deposits thereby being self-reliant and enabling to maintain a healthy mix of retail to wholesale deposits across diverse industries. The momentum is likely to carry on in the coming years with the unit leveraging on existing customers as well as focusing on adding new customers to the Bank. The unit added 74 new-to-bank customers across different products in FY 2023.

The intensity and frequency of regular review of exposures continued enabling identification of emerging risks in a timely manner. The focus is to continuously improve understanding of the borrower's business/prospects, ensuring right mix of products, enhance analytics, strong promoter connect, cash flow understanding and tracking.

MSME & SME

Your Bank's core target segment is MSMEs/SMEs. It is a large and vibrant sector. It is the backbone of our economy. This segment which was unfortunately affected due to Covid-19 pandemic is now clearly showing positive signs of growth and rebound. The Bank strives to be the business partner of MSMEs/ SMEs by offering custom made solutions to meet the credit demand of the segment. The Bank offers a range of products and personalized services including Foreign Exchange, Cash Management, Trade finance and Internet Banking. Given the inherent risks associated with this segment the Bank aims to have large portfolio of small ticket secured exposures.

AGRI AND INCLUSIVE BANKING (AIB)

AIB is a separate unit with the primary objective of achieving financial inclusion, PSL and enhancing the Bank's footprint in the rural and semi urban areas. At the end of FY 2023, AIB had 194 branches in 13 states of India. There are many opportunities to offer simple innovative products backed by superior technology in the rural and semi urban areas of India. Many of the new branches are in Tier 2 to Tier 6 locations. There is a constant endeavor to cater to underbanked and unbanked population of the country through a wide range of products, for example, zero balance savings account, small recurring deposit account, small loans to match the income and cash flow cycle. AIB also coordinates the entire PSL efforts for the Bank and is primarily responsible for achieving the financial inclusion targets.

Pradhan Mantri Jan-Dhan Yojana (PMJDY)

In FY 2023, the Bank actively participated in PMJDY program. The Bank had **39,908** PMJDY accounts as on March 31, 2023. The Bank has enabled Rupay Debit Cards for PMJDY account holders.

Pradhan Mantri Suraksha Bima Yojana (PMSBY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Atal Pension Yojana (APY)

The Bank successfully reached out to unbanked and economically weaker population through PMSBY, PMJJBY and APY programs that are designed to bring social security. Your Bank had **5,400** customers under PMSBY, **2,628** customers under PMJJBY and **7,153** customers in APY as on March 31, 2023.

Basic Savings Bank Deposit Account (BSBDA)

BSBDA has replaced "No frills account". This is a wonderful product for achieving financial inclusion especially for those who have limited transaction needs in the low-income group. The Bank had **44,945** BSBDA accounts as on March 31, 2023.

Kisan Mitra

"Kisan Mitra" as the name suggests, is a deposit product, which fulfils the requirement and enhances the savings habit in rural areas. It is a product specially designed for farmers. It is a modified Savings Account with zero account opening amount and no maintenance charges.

Retail Agriculture Loan and Kisan Credit Card

To meet the credit needs of the farmers, the Bank has retail agriculture products like Kisan Credit Card that aims

at providing adequate and timely credit support to the farmers for crop cultivation and allied activities. Under the KCC program, the Bank offers Cash Credit/Overdraft to farmers for purchasing seeds, fertilisers, pesticide for crops cultivation and Term Loan facilities for land levelling, irrigation and purchasing farm equipment.

Tractor Loans

Tractor Loans are an integral part of the total agricultural equipment sector and is a direct indicator of growth in the agricultural sector. The Bank has steadily built its business across Tier 2 to Tier 6 branches. Tractor loans helps the Bank to partly meet PSL targets for agriculture and small and marginal farmers set by the RBI. The Bank has benefited small and marginal farmers in farm mechanization improving their yield and allied income.

Microfinance Institutions (MFIs) and Business Correspondents (BCs)

The Bank lends to MFIs who in turn lend directly to end borrowers. Over time, the Bank has created a network of MFI relationships across India. In a few states of India, the Bank has provided Joint Liability Groups (JLGs) unsecured loans through BCs to promote economic activities. Group loans from the Bank has enabled unprivileged customers to avail small loans from the banking sector instead of high-cost borrowing from money lenders. These loans are usually provided to small farmers and weaker sections mainly in rural areas. To support the growth, the Bank has an efficient software system for managing BC Loans. This software helps maintain adequate information about the borrowers under JLGs. It provides a common platform for both, the Bank and the BCs for seamless processing of loans and has added immense value by reducing the loan disbursal cycle time.

School Finance Loans

The Bank has a lending programme for the education segment by providing loans to schools for infrastructure development which helps to impart quality education to students. The Bank provides loans based on the requirement of schools. Funding is done basis the audited financials and/or the cash flows. This product helps the Bank to cater the education segment and boost the social infrastructure development of the country.

CO-LENDING PARTNERSHIPS

Co-lending is a unique concept enabled by the RBI. The Bank's intention is to partner with Non-Banking Financial Sector Companies (NBFCs) that may be offering products not currently offered by the Bank or segments not served by the Bank. Further, the Bank has established Co-Lending Partnerships with four new

partners in FY2023 and thereby taking the total to six active Co-lending partnerships as on March 31, 2023. Co-lending has also contributed significantly to the Bank's overall advances growth.

ALTERNATE CHANNELS AND DIGITAL BANKING

Phone Banking

In FY 2023, the Bank's Customer Care Associates attended to approximately 75,000 calls per month and 13,000 calls per month are self-served on Intelligent Interactive Voice Response (IVR). The Bank has invested in technology and infrastructure to take customer service to new heights. It has implemented self-service options through "IVR" which allow the customers to access their account easier than before. Moreover, the Bank has also implemented a range of new customer-centric policies, designed to ensure that the customers receive the best-in-class service from the Bank. To provide uninterrupted service and load balancing, the Bank has trained its branch staff to take phone banking calls that are diverted to the branches using a unique technology solution. This has in some ways redefined call centre and customer service in the industry.

The Bank has ensured that its Customer Care Associates can interact with the customers in 8 languages (English, Hindi, Gujarati, Kannada, Marathi, Odiya, Tamil and Telugu).

Adoption of new technology, load balancing, multi skilled officers, regular intervention by the training team inter alia has enabled the contact centre team to provide timely and quality service to the customers. DCB Contact Centre unit has achieved 16% better productivity in comparison with pre Covid-19 and conscious efforts put in people management, knowledge enrichment has resulted in disposing customer queries 15% quicker while improving quality of service.

ATMs

The Bank has 396 ATMs as on March 31, 2023. The Bank ensured that ATM uptime was maintained at above 94% in the FY 2023. The Bank has closed a few unviable and unprofitable ATMs during the year. The Bank has completed the implementation of cassette swap in ATMs and OTC lock activation in all the 396 ATMs.

DCB Mobile and Internet Banking

Approximately 1,40,000 of the Bank's customers are actively using the new and improved Mobile Banking Application that is offered in 9 languages. Your Bank continues to get encouraging feedback on Google Play Store. The new version has additional features like biometric based login and Debit Card control management.

DCB Internet Banking is used by more than 70,000 retail and corporate customers. Internet Banking platform is rich with plethora of digitally managed services, which has reduced the need for customers to visit branches for their transactions.

DCB Unified Payment Interface (UPI)

UPI continues to be the dominant channel for digital payments, and the transaction volumes have registered a growth of 90% over the previous year.

DCB Debit Cards

The Bank focusses on constantly improving offerings, features, and security on Debit Cards. Your Bank launched a new Debit Card variant, DCB TravelSmart, which is beneficial for international travellers as it offers a competitive foreign exchange mark up, as well as complimentary travel insurance. The Bank also introduced much sought after features like contactless payment (Tap and Pay) and e-mandate for ease of recurring payments. From security and control perspective, the Bank has introduced instant response to customers for failed transactions, as well as tokenisation which enables transactions with masked card details for better safety.

DCB Niyo Global Cards

DCB Niyo Global Card is a Debit Card powered by Visa and issued with DCB Niyo Current Account. This program is segmented especially for customers travelling abroad which provides competitive exchange rates making the product a compelling proposition. The Card holders are offered a Mobile Application which supports security features such as switching on or off card usage, changing transaction limits and block or unblock the Card.

Trade Receivables Discounting System (TReDS)

In FY 2022, the Bank commenced participation on TReDS, a unique digital capability that provides assured and faster financing to MSMEs / SMEs who are providing goods and services to larger companies. TReDS is improving flow of finance to MSMEs / SMEs. The Bank has financed more than 10,000 MSMEs through 18,000+ Invoices in TReDS platform in FY 2023. Financing on TReDS also qualifies as PSL.

TRANSACTION BANKING

Cash Management Services (CMS)

The Bank provides Corporates, MSME/SME and Retail customers sophisticated and cost-effective CMS. This helps customers manage their collection and payment logistics with ease. The Bank has 7 vendors for CMS

cheque collections across India. At the end of FY 2023, the Bank had 3,300 active customers using CMS facilities.

Business Internet Banking (BIB)

The Bank offers state of the art BIB especially designed for MSME/SME customers. The adaptive and responsive feature of the application makes it user friendly for customers across devices. At the end of FY 2023, BIB facility had 32,615 users.

TREASURY, MONEY MARKET AND FOREIGN EXCHANGE

Treasury

Treasury actively manages liquidity, compliance with Cash Reserve Ratio (CRR), Statutory Liquidity Ratio (SLR), trading in fixed income securities & currencies, and participating in Initial Public Offers (IPOs). It also shares the responsibility of interest rate risk management of the Bank. In FY 2023, the Bank was cautious in maintaining fixed income securities as central banks across the globe were increasing interest rates in response to inflationary pressures. Yields on bonds across the world rose sharply thereby negatively impacting the bond portfolios. The Bank selectively invested in equity IPOs and booked profits by way of listing gains.

Money Market

Tightening in global policy has been accompanied by a deceleration in global money supply growth. Recent earnings have continued to moderate corroborating a growth slowdown. While slow growth could be headwind for risk assets, it may also help alleviate the inflation challenge. As inflation moderates, expect part of the economy to recover even as exports driven sectors face headwinds. RBI started increasing policy rates in the month of May 2022. Domestic bond markets have tracked the global yield curves since the onset of the US and European banking crisis. At the same time, bond yields across most of the developed markets have substantially retraced the easing seen since July 2022, in a flattening trend. Repo Rate has been increased from 4.40% in May 2022 to present level of 6.50%.

Foreign Exchange

During FY 2023, the global financial market encountered numerous challenges, including geopolitical tensions, banking crisis, recession fears; and higher interest rates, resulting in high volatility in major currencies. Major central banks such as US Federal Reserve System, European Central Bank (ECB); and Bank of England (BOE) increased

interest rates and maintained hawkish policies to control inflation. The International Monetary Fund (IMF) and World Bank predicted a downward trend in global growth because of policy actions by central banks.

The US Federal Reserve increased its benchmark interest rate from 4.75% to 5.00%, which caused a surge in global securities yields and the USD index to reach their highest levels. The USD Index reached 114 against a basket of six major currencies, and US 10YT almost touched 4.30%. Commodity prices experienced significant fluctuations over the course of the year. Initially, due to geopolitical tensions, crude oil prices reached a peak of \$125 per barrel, but later dropped to \$70 per barrel because of the global economic slowdown, particularly in China, brought on by Covid-19 related restrictions. However, unexpected output cuts from Organization of the Petroleum Exporting Countries (OPEC+) resulted in a rise in prices, and by the end of the financial year, Brent Crude oil was trading at \$85 per barrel.

The Indian Rupee depreciated by nearly 8% against the US Dollar due to geopolitical tensions, increased interest rates, and global recession fears. However, the RBI measures limited excessive volatility and slowed down the pace of Rupee's depreciation, which helped Indian rupee to perform better than several other currencies. Despite the volatile USD index caused by the financial crisis in the US banking system, the Indian Rupee demonstrated resilience by gaining 0.7% against the US Dollar in the last quarter. By the end FY 2023, the Indian Rupee closed at 82.18 to a dollar, which is weaker than the 75.79 rate recorded a year ago. Looking forward, the US Federal Reserve may consider further interest rate hikes, but market predictions suggest that the rate hike cycle may approach its peak soon.

RISK MANAGEMENT

Risk is an integral part of the banking business and the Bank's aim is to maintain portfolio quality by making appropriate risk/reward trade-offs. The Bank inter alia is exposed to credit, concentration, market, country and counterparty bank exposure, liquidity, operational, fraud and reputation risk. The Board of Directors of the Bank has oversight of risks assumed by the Bank and has delegated its power to manage risks to Risk Management Committee (RMC) of the Board.

Credit Risk

The Credit Risk unit ensures alignment with the objectives of achieving growth while maintaining portfolio quality by making appropriate risk / reward trade-offs. The idea

is to ensure long-term sustainable performance across business cycles. On-going efforts are made to improve risk assessment and controls. Credit Risk over time has developed capabilities to assess the risks associated with various products and business segments. As far as possible, efforts are made to standardize the entire process pan India while considering geographic nuances. The Bank has implemented a rating model that considers both quantitative and qualitative factors and produces a rating that becomes one of the key inputs to credit decisions. To continuously improve the quality of the portfolio, the Credit Risk unit uses SAS analytics and has created several insightful models that helped in refining the product offering, choosing the target segment of customers, collections and recoveries. Key processes in credit underwriting were examined and duplication was reduced to improve speed of processing. Periodic portfolio reviews were conducted with the business units that helped improve portfolio quality.

Concentration Risk

Concentration risk is monitored and managed both at the customer level and at the aggregate level. The Bank, inter alia, monitors portfolio concentrations by segment, product, business, ratings, borrower, group, sensitive sectors, unsecured exposures, industry, and geography. The Bank adopts a conservative approach within the regulatory prudential exposure norms.

Market Risk

The Bank has an established process to measure, monitor and manage Interest Rate, Exchange Rate and Equity Risk as part of Market Risk Management. Besides the usual monitoring of Structural Liquidity, Interest Rate Sensitive Gap limits and Absolute Holding limits, the Bank also monitors interest rate risks using Value at Risk limits. Exposures to Foreign Exchange and Capital Markets are monitored within pre-set exposure limits, margin requirements and stop-loss limits.

Country Exposure Risk and Counterparty Bank Risk

The Bank has established specific country exposure limits which is capped at 15% of its Capital Funds. The limit also depends upon rating of individual countries. The Bank mitigates risks using insurance cover available through the Export Credit and Guarantee Corporation (ECGC), where appropriate.

The Bank has established framework for setting up of limits for counterparty banks, basis their rating and monitors counterparty bank exposures against the approved limits.

Liquidity Risk

As part of the liquidity management and contingency planning, the Bank assesses potential trends, demands, events and uncertainties that could result in adverse liquidity conditions. The Bank's Asset Liability Management (ALM) policy defines the gap limits for the structural liquidity and the liquidity profile is analysed on both static and dynamic basis by tracking cash inflow and outflow in the maturity ladder based on the expected occurrence of cash flow. The Bank undertakes behavioural analysis of the non-maturity products, namely CASA, Cash Credit and Overdraft accounts on a periodic basis to ascertain the volatility of balances. The renewal pattern and premature withdrawals of Fixed Deposits and drawdowns of un-availed credit limits are also captured through behavioural studies. The liquidity profile is estimated on an active basis by considering the growth in Deposits, Advances, and Investment obligations. The concentration of large deposits is monitored on a periodic basis. Emphasis has been placed on growing Retail Deposits and avoid as far as possible Bulk Deposits. The Bank periodically conducts liquidity stress testing.

Operational Risk

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or external events. The Bank's operational risk management framework is defined in the Operational Risk Management Policy approved by the Board of Directors. While the policy provides a broad framework, Operational Risk Management Committee (ORCO) oversees the operational risk management in the Bank. The policy specifies the composition, roles, and responsibilities of the ORCO. The framework comprises identification, assessment, management and mitigation of risks through advanced tools and analysis.

Reputational Risk

The Bank pays attention to issues that may create reputational risks. Events that can negatively affect the Bank's reputation are handled cautiously ensuring utmost compliance and in line with the values of the Bank.

Information / Cyber Security Risk

The Bank operates in a highly automated environment and makes use of the latest technologies to support the business and functions. The Bank has put in place a robust governance framework, information security practices and a business continuity plan to mitigate IT and cyber security related risks. The Bank ensures that it's information and

cyber security policies are updated periodically to ensure protection of customer sensitive information, transaction integrity, availability of banking services and be resilient to emerging cyber security risks. The Bank has a 24x7 Security Operations Centre to monitor security alerts and take timely appropriate actions.

Process Review

The Bank strives to continuously improve process controls and customer satisfaction. The Bank has a separate cross functional committee – Management Committee for Approval of Processes (MCAP). In general, new processes are subjected to review by MCAP. The Committee is tasked with identifying operational and compliance risks in new processes and ensuring that steps are taken to mitigate risks. Also, MCAP regularly reviews and approves existing processes for further improvement. In the FY 2023, 79 processes were reviewed and approved by the MCAP.

IMPLEMENTATION OF BASEL III GUIDELINES

In accordance with the RBI guidelines, the Bank has migrated to Basel III capital adequacy disclosures with effect from Q1 FY 2014. The Bank continues to review and improve its risk management systems and practices to align with industry best practices. The Bank has implemented Standardized Approach for Credit Risk, Standardized Duration Approach for Market Risk and Basic Indicator Approach for Operational Risk.

INFORMATION TECHNOLOGY (IT)

Once again, FY 2023 has seen increased focus on digital technologies for banking needs. Accordingly, the Bank inter alia is looking forward to adopting emerging technologies like Artificial Intelligence (AI) / Machine Learning (ML), Blockchain, Internet of things (IoT), Edge Computing, Robotic Process Automation, Application Programming Interface (API) Banking, Metaverse, Conversational Banking, and Big Data. By embracing aforesaid technologies, the Bank aims to offer its customers futuristic services and newer business models while achieving operational excellence. Implementation of these technologies will also enable the Bank to automate customer interactions, enhance the security and offer personalized services based on real-time data, and create new ways of engaging with customers.

Following were some of products/features launched in your Bank during FY 2023:

1. DCB EazyBee Online Mutual Fund

- DCB EazyBee is a paperless and user-friendly platform that is accessible via desktop and mobile

devices. It enables quick and seamless investing in mutual funds, facilitates automatic payments, and provides up to date information to customers on their portfolios.

- The online platform inter alia comes with several attractive features such as no registration fees and transaction charges, easy mutual funds selection options to invest in products of reputed Asset Management Companies (AMCs), access to risk ratings and factsheets of all the funds, online uploading of Know your Customer (KYC) documents and facility to download National Securities Depository Limited (NSDL) consolidated account statement.

2. My Documents Portal

- A secure platform designed to streamline communication with customers. This user-friendly portal is the go-to source for all relevant documents and communications related to customers.
- Customers can access their documents from anywhere, at any time, after a secure authentication process. By centralizing all essential documents and communications in one easily accessible location, My Documents Portal enhances transparency and simplifies the customer experience. From welcome letters to account statements, everything is available in one convenient location, making it easier than ever for customers to stay up to date.
- New documents uploaded are communicated to customers through SMS and e-mail on the registered mobile number and e-mail address.

3. Zippi+

- Paperless and end-to-end digital Savings Account and Fixed Deposits Account opening application that has a wide range of products (DCB Premium Savings, DCB Privilege, DCB Classic Savings Bank Accounts) and other options.

4. Video Based Personal Discussion for Credit Team

- Online validation of applicant's identity, documents, mobile number or e-mail id.
- Improved turn-around time and can be done at customer convenience.
- GPS validation of applicant's location.

5. Issuance of Contactless Card

- The contactless (Tap & Pay) features enabled for DCB Visa Debit Cards.
- DCB Debit Contactless Visa cards is accepted by leading merchants in India.

6. CUBE - digital end-to-end branch application for customer on boarding of deposit products

- Over 1 lakh customer accounts opened via CUBE, online interfaces with NSDL, Aadhaar etc for instant verification
- Turnaround time and errors have been substantially reduced with the introduction of CUBE.

7. Customer Service

- Customer self-service, in-branch kiosk enabled for real time KYC up-dation by existing customers of the Bank.
- Customer login for KYC verification enabled via valid DCB Debit Card and PIN or biometric authentication via Aadhaar/Virtual ID (VID).
- Biometric authentication in branches using kiosks.
- DCB Bank Loan Repayment Collection via Payment Gateway Partner & Bharat Bill Payment System (BBPS)
- Dispatch Management Solution implemented for end-to-end tracking of deliverables.
- DCB Travel Smart Debit Card - travel worldwide without any hassle of currency conversion.
- Customisable kit for Loan disbursement including agreements/policies.
- Branches can offer higher limits for Personal Internet Banking and Mobile Banking to select customers.
- Declined Debit Card transactions instant alert via SMS to customers.

8. DCB Mobile Banking

- Save and manage favourite transactions.
- EMI calculator for loans.
- Event based and personalized notifications.
- Multilingual - 9 language options.
- Biometric authentication.
- Positive pay functionality.
- Failed login alert to customers..

9. Internet banking Enhancements

- DCB Suraksha Fixed Deposit functionality in Personal Internet Banking.
- Financial Year addition in Statement of Account Module in Personal Internet Banking.

10. Automation of Group Personal Accident (GPA) Policy Daily Issuance Benefits:

- Enhanced customer experience and significant improvement in turnaround times.

- Insurance policy and coverage commences from the next business day.
- Minimum manual intervention.

11. Intelligent Interactive Voice Response (IVR)

Interactive Voice Response (IVR) technology offers customers self-service options with DTMF (such as landline or mobile phone dial pad keys) tones input. In addition to identification and segmentation of the callers, it also facilitates the routing of customer calls to the most appropriate customer care/ service resource at the Bank's Customer Care centre. .

- Preference for calls based on the customer's requirement for example, a customer call for a debit card emergency will be allocated to a customer care representative with the appropriate expertise.
- Based on the registered mobile number, the system will identify the customer and, accordingly, the call will get transferred to the correct customer care associate.
- For calls received via non-registered mobile numbers an OTP validation option for customer verification has been provided.

12. Enhancement of UPI Transaction limit for specific categories

- DCB Bank customers can make ASBA payments up. to ₹ 5 lakhs per IPO

13. Customer Investment Declaration form (CIDF) enhancement for the customer

- Digital journey for Customer Investment Declaration Form for third-party product distribution

14. Mortgage Sales Support Application

- Tracking leads and monitoring appointments and activities
- Product details
- Monitor frontline productivity and performance.

BUSINESS INTELLIGENCE UNIT (BIU)

The core objective of BIU is to leverage data analytics to drive decision-making and improve business outcomes. Bank has invested in building modern & scalable data & Tech stack in areas of Big Data, Machine Learning and Deep Learning comprising of an Enterprise Data Lake and GPU servers enabling capability to deploy multiple use cases. The Bank's stack includes Cloudera, Hadoop, Kafka, SAS Viya, R, Python and Spark etc. Bank has launched a focused BIU transformation project

D2V which encompasses BI & Analytics uses cases in self-service MIS, Cross-sell, Revenue & cost efficiency. These business cases cover decision enablement across customer journeys for both Asset as well as Liability products from units across business lines. These projects are being initiated across work streams (but not limited to) to scale up Underwriting, Personalization, productivity optimization & Data driven collection.

OPERATIONS

Operations unit's continuous endeavour to improve efficiency and offer best in class services to customers continues to remain as the primary objective. During the year, there has been unprecedented growth in volumes across every unit and some of the units like Centralized Payments Centre and Clearing units operate 24/7 to cater to the customer needs. The focus on automation and improvements in productivity are yielding desired results as the growth in volumes and 24/7 operational shifts are managed without any significant increase in headcount and/or costs.

The new state of the art customer onboarding platform CUBE that was implemented two years ago to support operations at National Processing Centre (NPC), was further enhanced during the year to make it more robust, faster, resilient and offer more functionalities. The number of applications processed on CUBE crossed the magic number of 100,000 during the year. About 86% of the account opening forms duly submitted on CUBE application by branches, are processed and customer's accounts opened by NPC within the same day against an average of about 5 days prior to implementation of CUBE thus providing superior and faster customer experience.

Centralized Payments Centre (CPC) which caters to all customer payments processing like RTGS/NEFT, CMS payments, and electronic banking transactions on 24/7 basis, handled about 208.20 lakh transactions with zero operational loss during the year. A new innovative state of the art NEFT /RTGS technology solution was implemented during the year to support 24/7 services and cater to increased volumes. Clearing unit continues to operate on 24/7 basis as well and during the year processed 86.78 lakh transactions with zero operational loss. Cash Management Services Unit which provides cash to branches and ATMs ensured that the average cash holding throughout the year was maintained at 15% of the approved limit through proactive management of cash logistics thus ensuring that idle cash levels were maintained at barest minimum levels.

Several initiatives taken during the recent few years with respect to implementation of newer technology solutions,

strengthening of quality checks, process revamp, continuous training of staff including newly recruited staff and ensuring the staff remain motivated and focussed have helped various operations units to provide faster services to customers with zero operational losses and handle increased volumes seamlessly. Grooming next generation leaders and creating second line leaders across various unit continues to be a key focus area along with efforts for further automation and improvements in productivity.

INTERNAL AUDIT

Internal Audit (IA) function has employees with varied domain background and experience across Banking operations. It has a mix of Chartered Accountants and domain/technical experts and veterans. The IA team comprises of freshers, experienced bankers and specialists. IA function reports into the Audit Committee of the Board (ACB) which constitutes members with strong domain and audit knowledge. ACB oversees the IA function, monitors performance, and provides regular guidance for improving risk control and compliance across the Bank. In FY 2023, IA adopted different models for audits which included extensive use of data analytics, document verification, testing of design and effectiveness along with walkthrough. The IA team makes use of various tools for analysis in the audits like SAS. In FY 2023, IA conducted 186 branch audits, 46 periodic audits and 12 IT audits. IA team members attended multiple online and in person training programmes in various domains including audit framework / methodology, soft skills, risk management and Banking, for continuous enhancement of knowledge and skills.

VIGILANCE

In line with previous years, the Fraud Risk Monitoring (FRM) unit has enhanced the fraud detection and monitoring capabilities through enrichment of data points embedded into the monitoring tools. It has also enhanced the capabilities to identify and address the risks through their assessment methods and investigation. The unit also identifies learning from industry practices to enhance the capability of the function in the Bank. The team has been given continuous training on technical and functional aspects. The unit continues to have 24x7 monitoring to enable fraud detection across various channels and transactions.

COMPLIANCE

The Bank's Compliance function is independent of business and operation functions. The Compliance function has created procedures and checks to ensure

compliance with applicable regulations. In addition to ensuring timely submission of various returns to regulatory authorities, the Compliance function ensures that the Bank's internal procedures and processes are in adherence with the applicable regulatory and statutory provisions. The Compliance function is also responsible for AML / KYC monitoring, the Bank relies on advanced software and analytics. Within the Compliance function, a separate unit for Compliance Monitoring and Testing has been created to carry out compliance testing on an ongoing basis. This unit also provides compliance risk assessment to various units / functions.

HUMAN RESOURCES (HR)

The Bank deeply believes that its employees are the driving force for business growth, branding, and customer satisfaction. The employees are an invaluable asset which deliver sustainable performance and shareholder value. The Bank's HR unit is built on following four pillars:

Build

- In FY 2023, the Bank's substantially increased headcount especially that of the frontline to create capacity for stepping up business growth. The Bank headcount stood at 9,905 as on March 31, 2023, an increase of 23% over FY 2022 (headcount 8,077). The recruitment team doubled its efforts in hiring through referrals, social media, and career websites. Further, to provide in-house talent with opportunities, the Bank, in FY 2023, provided new assignments through Internal Job Posting to 616 employees (470 in FY 2022).
- The Bank continued its flagship B-school competition that has been recognized as one of the best practices in the industry. The Bank scaled up its "The Top Recruit" program and campus engagement initiatives across various regions, covering around 4,000 participants from 200 B- Schools in cities like Delhi, Mumbai, Pune and smaller towns in India. The higher participation helped to bolster the brand value of the Bank amongst the future job seekers.
- On LinkedIn platform, which is a primary source of employer branding and portal for attracting talent, the Bank at the end of FY 2023 has over 3.55 lakhs follower's vis-a-vis 2.74 lakh followers as at the end of FY 2022.

Develop

The Bank continued to provide training through classroom and e-learning to employees covering key modules like Ethics, Prevention of Sexual Harassment (POSH), Gender Sensitization, Code of Conduct, Capacity Building and AML/KYC. Examples of classroom and e-learning provided during FY 2023 are as follows:

- 1,900 training workshops were conducted internally

and employees underwent through over 3.54 lakh hours of e-learning.

- "Olympiad" platform was initiated in FY 2021 to continuously strengthen the culture of assessment on critical areas. During FY 2023, the Bank continued to do product, process, and compliance assessments through the "Olympiad" platform.
- Signature interventions like RISE, ASPIRE and Budding programs under "Grow with Us" umbrella are being conducted for over 10 years. These programs have helped create a talent pool to take up leadership roles within the Bank.
- Capacity building initiatives have been undertaken through internal and external certification especially in the areas of risk management and credit. Cyber security programs were conducted for Senior Management employees with the Institute of Development and Research in Banking Technology (IDRBT).
- Critical employees in branch operations underwent Gold Loan appraisal workshops which helped them provide quick service to customers at our branches.
- Supervisory capability training continued to be driven through the ABCD program which builds foundation for being a good supervisor on four pillars of Appreciation, Building Ownership, Communication and Development (ABCD).
- S-PEAK survey achieved 100% participation from the Bank. The objective is to help supervisors reach their PEAK by deploying various Coaching, Mentoring and Developmental plans. Over a learning journey of 6 months, theme-based training programs are deployed to improve overall people management Competency of 800+ supervisors.
- Power of Three - Empathy, Speed and Quality (ESQ) is the Bank's approach and philosophy to customer service. To enhance ESQ amongst employees, the Bank conducted various Bootcamps, a one-day classroom training program with focus on creating delightful customer experiences at every touch point the Bank. More than 90% of employees were covered in the ESQ training programs. Also, to promote ESQ on an ongoing basis, a digital platform was created to recognize and reward notable contributions.

Care

The Bank took special care of its employees by focusing on well-being:

- To inculcate the habit of regular exercise and walking, the Bank launched DCB Walkathon Challenge 2022 for all employees across India. Over 2,300 employees' steps were monitored round the clock. Encouraged by

the huge participation and enthusiasm amongst the employees, the unit extended the challenge from 5 days to 12 days. Within a span of 12 days, 70 million steps were clocked which equals 58,459 kms or is equivalent to 1.5 times the distance of walking around the world.

- Health Carnival 2022 was organized across all regional offices in the month of November 2022 which saw participation from over 3,000+ employees for onsite activities such as health check-up wherein weight, height, sugar levels, ECG, and blood pressure etc. were checked. Apart from onsite activities, there were online webinar sessions organized as well, covering topics such as awareness on diabetes, conjunctivitis; and ways to keep heart healthy. Discussions were held on nutrition and gastric related issues.
- Doctor on Call service ensures that DCB Bank employees can have access to qualified doctors 24x7 by simply downloading a free mobile application (available on Android and IOS). This application facilitates an instant video call with doctors who are available for consultation across various fields such as ENT, Ortho, Lifestyle diseases, Physiotherapy, Ayurveda, and Dental issues.
- Leadership and top management team are setting new examples of conducting self-driven wellness sessions for employees. Recently a yoga session was led by the CFO where he shared healthy habits and asanas for living and adapting a healthy lifestyle
- Employee loan processing was automated through the Bank's HR Management System. The transition to digital application saves significant amount of paperwork and reduces cycle time.
- During the year, emotional well-being assumed great importance for which the Bank drove wellness initiatives for employees under its Employee Assistance Program (EAP) wherein assistance was provided for psychological / mental health.
- The Bank negotiated a more comprehensive Medicaclaim plan this year for its employees where inter alia Intensive Care Unit (ICU) charges at actuals, genetic disorders and waiver of co-pay in case of an unfortunate demise of employee and / or dependent were included.
- The Bank also conducted special programs for supervisors to monitor and report instances of poor mental health amongst their team to facilitate timely intervention. The Employee Assistance Program (EAP) partner, 1 to 1 help explained reasons for stress and encouraged supervisors to help employees to seek counselling.
- "Doing good does you good" - employee volunteering in large numbers for tree plantation, habitat

restoration, clean-up of parks, lakes, and other water bodies. This year over 1600 employee volunteers participated in CSR activities.

- Towards improving the environment, the Bank planted over 1,01,120 trees during FY 2023.

Engage

- The Bank has regional recognition program called "DCB Spotlight" for felicitating top performers in different regions. This year, the Bank recognized over 800 awardees in eleven locations. This event also provides a unique opportunity to employees to showcase their talent in various areas.
- The Bank's annual signature reward and recognition ceremony, the Movers & Shakers, was held at NCPA, Mumbai. Over 100 awardees were felicitated for their performance. The winners of the regional talent hunt, "Funkaar Beats" also competed for the top spot.
- "Hour HR" (the live radio show), unique communication platform for the employees to interact with the HR team and seniors directly on topics such as managing leave, dress code, doctor's help, promotion process, rewards platform and Medicaclaim.
- "Regional Forums" are conducted for leaders to address issues that could be resolved within their units through mutual collaboration.
- The quarterly newsletter, "High Decibel" is a communication channel where the employees contribute articles of personal experience and professional achievements. "High Decibel" is also used for communicating the latest updates, events, and happenings in the Bank.
- The Bank's signature employee connect program "Each One Reach One" (EORO) went digital and over 95% of employees participated. Employees rated their satisfaction with respect to job, supervisor, work environment and career aspirations. The Bank initiated interventions and focus group discussions to address employee issues and receive their suggestions for improvements.
- The Bank continued the "EORO Supervisor Survey" for first time supervisors. The feedback was with reference to approachability, helpfulness, care, development, and their alignment with the team. Counselling was completed for those supervisors who had a low score.
- In its effort to attract talent and boost the internal branding, various initiatives have been taken. The Bank launched "MANCO Bytes" (MANCO denotes Management Committee) series where the senior leaders spoke of their experience and how they overcame challenges to become successful.

CORPORATE SOCIAL RESPONSIBILITY (CSR) & ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

The Bank's CSR thrust areas are Water, Waste Management, Renewable Energy, Recycling, Support Technology incubators related with the Bank's thrust areas, Preserve Archaeological and Historic sites, and Disaster relief. The CSR and HR team work together to engage employees in tree plantation, habitat restoration, clean-up of parks, lakes, beaches, and water bodies. In FY 2023, the Bank's DCB Social volunteers engaged in various clean-up and environment restoration initiatives across Bank's footprint. Meaningful contribution of time and effort by 1,600 CSR volunteers across DCB Bank locations has greatly helped drive awareness on saving water in households, reducing usage of single use plastic, encouraging local communities to segregate recyclable and organic waste, enhance green cover in rural and urban locations.

The ESG working group adheres to the established framework of the ESG Principles. The Bank's Business Reporting and Sustainability Report (BRSR) is an outcome of the deliberations and application of the framework to the activities of the Bank.

CUSTOMER SERVICE

Delighting customer in every interaction is the core aim of the Bank. On a regular basis, customer complaints and satisfaction levels are monitored by the Managing Director & Chief Executive Officer along with the Senior Management team. The Bank has constituted an independent "Service Excellence" team to analyse customer complaints, identify root cause for service issues, make process improvements and work with the various businesses and functions to continuously enhance service levels. The Bank has an "Integrated Centralised Complaint Management" system and service standards to ensure that customer queries and complaints are addressed in a timely and quality manner.

The Bank continues to make steady progress on the service concept of Empathy Speed Quality (ESQ). In FY2023, the Bank conducted an independent customer satisfaction survey. The survey indicated that 98% customers have expressed their satisfaction on the services rendered by the Bank. Additionally, there have been measures taken by the Bank in FY2023 to make customer services automated or system driven. As a result, there has been a reduction of complaints by 9% across categories and 28% in the top 10 categories in comparison to FY2022. The Bank will continue to improve its processes to provide faster resolutions and efficiently. The Bank continuously works on the six pillars of Service Excellence – Voice of Customer, Service Recovery, Attrition Calling, Process Simplification, Service Culture

and Measures and Metrics. The Service Excellence team continuously interacts with the frontline staff and key stakeholders to obtain customer feedback. Branch surprise visits and "mystery shopping" activities are undertaken by the Service Excellence team and instant feedback is provided to the branch staff and supervisors. The Bank has constituted three committees at different levels to monitor customer service - Branch Level Customer Service Committees (BLCSCs), Standing Committee on Customer Service (SCCS), and Customer Service Committee of the Board (CSCB). The Bank on a regular basis, through various means, educates its customers to be vigilant on the rising incidents of cyber-crimes.

MARKETING/BRAND AWARENESS

In FY 2023, the Bank took several initiatives to create brand awareness and improve visibility for its products and services. This resulted in quality lead generation and new customer acquisitions. Examples of the various activities during the year are given below:

- Nearly 10,000 micro marketing activities / customer engagement programs were conducted in the branch neighbourhood across regions by branch banking teams
- DCB Fixed Deposit print campaign in mainline publications was undertaken across Andhra Pradesh, Delhi, Gujarat, Kolkata, Mumbai, and Telangana.
- Airport branding was undertaken at Ahmedabad, Bhubaneshwar, Delhi, Kolkata, and Raipur. DCB Fixed Deposit, DCB Savings Account and DCB Remit communication were prominently displayed at these airports.
- Mobile van activation programs were executed in the states of Andhra Pradesh, Karnataka, Odisha, Tamil Nadu, and Telangana to promote DCB Savings Account and DCB Gold Loan. This medium was effective in generating quality leads to the branches.
- The Bank's signature customer event "Ek Mulaqat Kuch Baatein" was organised in Bengaluru, Delhi, Hyderabad, Kolkata, Mumbai and Pune. Senior officers of the Bank along with select Directors interacted face-to-face with hundreds of customers who appreciated the Bank's service, products, and CSR activities.
- Around 2,000 "Store Boards" with "DCB Gold Loan" product branding was installed in the branch neighbourhood in Odisha and Tamil Nadu.
- Almost 90 events were organised at various residential societies across the country to engage with the prospects / residents to promote products and services.

- Throughout the year, both internal and external branding campaigns were done to promote new branches, products, and services.
- DCB Fixed Deposit and DCB Remit online campaigns were done on Google and Facebook.
- The Bank actively engaged customers, prospects, and employees with regular informative posts in the social media.

IND AS IMPLEMENTATION

The Ministry of Corporate Affairs (MCA), Government of India has notified the Companies (Indian Accounting Standards) Rules, 2015 on February 16, 2015. Further, a press release was issued by the MCA on January 18, 2016 outlining the roadmap for implementation of Indian Accounting Standards (IND AS) converged with International Financial Reporting Standards (IFRS) for banks. As per earlier instructions, banks in India were required to comply with the IND AS for financial statements for accounting periods beginning from April 1, 2018 onwards, with comparatives for the periods ending March 31, 2018 or thereafter. On April 05, 2018, the RBI had announced deferment of implementation date by one year with IND AS being applicable to banks for accounting periods beginning April 01, 2019 onwards. On March 22, 2019, the RBI has announced deferment of the implementation of IND AS by banks till further notice.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE BANK

Particulars of Loans, Guarantees or Investments outstanding Pursuant to Section 186(11) of the Companies Act, 2013, loans made, guarantees given, securities provided or acquisition of securities by a banking company in the ordinary course of its business are exempted from the disclosure requirement under Section 134(3)(g) of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the transactions with related parties are in the ordinary course of business and on arm's length basis and there are no 'material' contracts or arrangement or transactions with related parties and thus disclosure in Form no. AOC-2 is not required.

POLICY ON RELATED PARTY TRANSACTIONS OF THE BANK

The Bank has a policy on Related Party Transactions and the same has been displayed on the Bank's website at the following link: <https://www.dcbbank.com/upload/pdf/Policy-on-Related-Party-Transactions-June-2022.pdf>

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

In terms of Regulation 34(2)(f) of the SEBI Listing Obligations and Disclosure Requirements (LODR) Regulations 2015, the Bank's Business Responsibility and Sustainability Report describing the initiatives taken by the Bank from an environmental, social and governance perspective forms part of this Report and has been hosted on the website of the Bank at the following Link: <https://www.dcbbank.com/pdfs/DCB-Bank-Business-Responsibility-and-Sustainability-Report-2022-23.pdf>

MAINTENANCE OF COST RECORDS

Being a Banking company, your Bank is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Act.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, no instances of fraud committed in the Bank by its officers or employees were reported by the Statutory Auditors and Secretarial Auditor under Section 143(12) of the Act, to the Audit Committee or the Board of Directors of the Bank.

Corporate Social Responsibility:

1. Brief outline on CSR Policy of the Company.

CSR Activities shall mean all the Corporate Social Responsibility activities / programs / initiatives of the Bank, either ongoing or new, dealing with the activities mentioned in thrust areas. The activities shall conform to those specified in Schedule VII to the Act (as amended from time to time) and as recommended by the CSR and ESG Committee and approved by the Board.

Thrust areas or activities ascribed to them are defined in the Policy, as amended by the Board, from time to time.

Projects/ Programmes to be undertaken:

CSR Thrust Areas for DCB Bank

Thrust areas shall mean and include any one or more of the following CSR activities:

- a) Conservation of water / water storage / water usage / protecting water bodies
- b) Waste Management
- c) Recycling
- d) Promote waste-to-energy
- e) Promote start-ups

- f) Preservation of historical and heritage sites in situ focus on water conservation, waste management, recycling and, or waste-to-energy.
- g) Support Disaster Relief

2. Composition of CSR & ESG Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of the Committee meetings held during the year	Number of the Committee meetings attended during the year
1	Ms. Rupa Devi Singh*	Chairperson & Independent Director	4	3
2	Mr. Rafiq Somani	Independent Director	4	4
3	Mr. Murali M Natrajan	Managing Director & CEO	4	4
4	Mr. Thiagarajan Kumar	Independent Director	4	2
5	Mr. Farokh Subedar**	Chairman & Independent Director	4	1

* till January 21, 2023

** w.e.f. January 29, 2023

3. Provide the web-link where Composition of CSR & ESG Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

<https://www.dcbbank.com/corporate-social-responsibility> Policies & <https://www.dcbbank.com/upload/pdf/DCB-Bank-CSR-Projects-List-FY-2022-2023.pdf>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

NA

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

NA

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	FY 2021-22	0.01 crore	0.07 crore
2	FY 2022-23	0.06 crore	0.05 crore
Total		0.07 crore	0.12 crore

6. Average net profit of the company as per section 135(5). **INR 439.81 crore**

7. (a) Two percent of average net profit of the company as per section 135(5) **INR 8.80 crore**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. **0.12 crore**

(c) Amount required to be set off for the financial year, if any: **NIL**

(d) Total CSR obligation for the financial year (7a+7b-7c). **INR 8.80 crore**

8. (a) CSR amount spent or unspent for the financial year: **NIL**

(b) Details of CSR amount spent against ongoing projects for the financial year: **NIL**

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

DCB BANK CSR PROJECT FY 2022-23

Sr. No.	Name of the CSR Project	Item from the list of activities in Schedule VII	Local Area (Y/N)	District	State	Total Project Budget INR	Mode of implementation Direct (Y/N)	Mode of implementation (Name of Agency)	CSR Registration Number
1	Ground water recharge via Holiya structures to enhancing agriculture & milk production, Santalpura taluka	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	Y	Patan	Gujarat	2,470,970	N	Ashray Social Welfare Foundation	CSR00001091
2	Waste management and waste segregation - installation of dustbins	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	Across India	Across India	1,570,000	Y	Blue Bell Office Solution	Direct
3	Sustainable livelihood for disadvantaged communities through beekeeping, Banki block	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	Cuttack	Odisha	4,176,120	N	Concern India Foundation	CSR00000898
4	Sustainable livelihood through aquaculture & water harvesting in Kendrapada	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	Kendrapada	Odisha	4,109,968	N	Concern India Foundation	CSR00000898
5	Promoting coastal ecosystem based sustainable livelihood for communities through beekeeping	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	Uttara Kannada	Karnataka	3,416,766	N	Concern India Foundation	CSR00000898
6	Tree maintenance - regenerate tree cover, create sustainable income stream for hamlets devastated by cyclones	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	South 24 Parganas	West Bengal	672,807	N	Concern India Foundation	CSR00000898
7	Promoting coastal ecosystem based sustainable livelihood for communities through beekeeping	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	Uttara Kannada	Karnataka	627,243	N	Concern India Foundation	CSR00000898
8	Information, Communication & Education about rainwater harvesting, beekeeping & livelihood enhancement opportunities	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	Mumbai	Maharashtra	500,000	N	Concern India Foundation	CSR00000898

Sr. No.	Name of the CSR Project	Item from the list of activities in Schedule VII	Local Area (Y/N)	District	State	Total Project Budget INR	Mode of implementation Direct (Y/N)	Mode of implementation (Name of Agency)	CSR Registration Number
9	Sustainability of tree plantation - maintenance of 1,000 fruit trees plantation, Banki block	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	Cuttack	Odisha	190,900	N	Concern India Foundation	CSR00000898
10	Huvinayaknahalli Lake waste clean up	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	Bengaluru	Karnataka	54,520	N	Concern India Foundation	CSR00000898
11	Dadar Chowpatty clean up	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	Mumbai	Maharashtra	48,590	N	Concern India Foundation	CSR00000898
12	Mula Mutha River clean up	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	Pune	Maharashtra	42,303	N	Concern India Foundation	CSR00000898
13	Har Ghar Tiranga campaign	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	Uttara Kannada	Karnataka	16,100	N	Concern India Foundation	CSR00000898
14	Information, awareness & training in carbon footprint assessment	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	Mumbai	Maharashtra	24,000	Y	Confederation of Indian Industry	Direct
15	Information, Communication & Awareness on urban & rural sustainability, climate change, livelihood issues of communities	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	Mumbai	Maharashtra	242,500	Y	Content Services & Publication Pvt. Ltd.	Direct
16	Tree saplings indigenous species for urban green spaces	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	Mumbai	Maharashtra	325,000	Y	Deepak Enterprise	Direct
17	Waterless urinals to save ground water, Indian Air Force station	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	Gandhinagar	Gujarat	403,500	Y	Ekam Eco Solution Pvt. Ltd.	Direct

Sr. No.	Name of the CSR Project	Item from the list of activities in Schedule VII	Local Area (Y/N)	District	State	Total Project Budget INR	Mode of implementation Direct (Y/N)	Mode of implementation (Name of Agency)	CSR Registration Number
18	Waterless urinals to save ground water, Indian Air Force station	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	Jodhpur	Rajasthan	394,361	Y	Ekam Eco Solution Pvt. Ltd.	Direct
19	Tree plantation of indigenous species for bio-diversity & urban green spaces	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	Osmanabad	Maharashtra	49,900	Y	Gouri Shankar High Tech Co. Nursery	Direct
20	25,000 saplings of indigenous species for Miyawaki method tree plantation, Indian Navy, Mumbai	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	Mumbai	Maharashtra	13,852,380	N	Green Yatra Trust	CSR00000236
21	Waste segregation & management provision of dustbins	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	Across India	Across India	1,300,000	Y	I B Couriers & Cargo LLP	Direct
22	Restoring forest landscape of Sanjay Gandhi National Park, Borivali, through Assisted Natural Regeneration	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	Mumbai	Maharashtra	4,245,800	N	iNaturewatch Foundation	CSR00003491
23	Tree plantation, habitat study, restoration, citizen engagement to develop Ambivali Biodiversity Park	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	Thane	Maharashtra	3,716,800	N	iNaturewatch Foundation	CSR00003491
24	Restoration of Talaja watershed through community participation	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	Navi Mumbai	Maharashtra	1,743,688	N	iNaturewatch Foundation	CSR00003491
25	Rainwater Re-charge Wells to enhance ground-water & control flooding. 30 wells at Indian Air Force locations	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	Bengaluru	Karnataka	2,483,250	N	India Cares Foundation	CSR00000714
26	Rainwater Recharge Wells to enhance groundwater & control flooding. 27 recharge wells, Indian Air Force station	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	Bengaluru	Karnataka	2,038,000	N	India Cares Foundation	CSR00000714

Sr. No.	Name of the CSR Project	Item from the list of activities in Schedule VII	Local Area (Y/N)	District	State	Total Project Budget INR	Mode of implementation Direct (Y/N)	Mode of implementation (Name of Agency)	CSR Registration Number
27	Rainwater Recharge Wells to recharge ground water, 6 wells Indian Navy location	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	Mumbai	Maharashtra	600,000	N	India Cares Foundation	CSR00000714
28	Protection of wildlife corridor by reforestation & sustainable livelihood improvement for tribal & rural communities around Panna Tiger Reserve	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	Panna	Madhya Pradesh	794,200	N	Last Wilderness Foundation	CSR00006952
29	Tree plantation of indigenous species for fruit and non timber forest produce. Trees for tribal communities & carbon neutrality phase 2	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	East Singhbhum	Jharkhand	5,000,000	Y	Pangea EconetAssets Pvt. Ltd.	Direct
30	Tree plantation 30,000 mangrove trees for coastal fishing communities, abate coastal erosion & livelihood opportunity	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	Y	Villupuram	Tamil Nadu	4,500,000	Y	Pangea EconetAssets Pvt. Ltd.	Direct
31	Tree plantation for urban green micro habitat 7,500 indigenous tree saplings	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	Chennai	Tamil Nadu	1,987,500	N	Rotary Velachery Charitable Trust	CSR00009948
32	Tree plantation 2,500 saplings of indigenous species. Biodiversity enhancement & urban green habitat	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	Chennai	Tamil Nadu	658,300	N	Rotary Velachery Charitable Trust	CSR00009948
33	Tree plantation - urban plantation of indigenous species phase 4	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	Across India	Across India	1,560,000	N	SankalpTaru Foundation	CSR00000590
34	Tree plantation - urban plantation of indigenous species phase 5	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	Across India	Across India	273,000	N	SankalpTaru Foundation	CSR00000590

Sr. No.	Name of the CSR Project	Item from the list of activities in Schedule VII	Local Area (Y/N)	District	State	Total Project Budget INR	Mode of implementation Direct (Y/N)	Mode of implementation (Name of Agency)	CSR Registration Number
35	Tree plantation - urban plantation of indigenous species phase 6	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	Delhi	Delhi	78,000	N	SankalpTaru Foundation	CSR00000590
36	Waste management - household biogas & organic fertilizer for tribal families and reduction of greenhouse effect contributing methane gas	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	Adilabad	Telangana	4,462,500	N	SKG Sangha	CSR00005648
37	Waste management - household biogas & organic fertilizer for tribal families and reduction of greenhouse effect contributing methane gas	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	Adilabad	Hyderabad	1,517,250	N	SKG Sangha	CSR00005648
38	Jal Sanchay part 2, groundwater conservation, water harvesting & sustainable rural livelihood	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	Panna	Madhya Pradesh	9,524,361	N	SM Sehgal Foundation	CSR00000262
39	Green Mile part 2, dry waste collection, material recovery facility, plastic recycling & wet waste management for organic fertilizer, Sonada village	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	Darjeeling	West Bengal	4,218,114	Y	Tieedi Permaculture Foundation	Direct
40	Improving livelihood for tribal communities through beekeeping with indigenous bees	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	Tapi, Chhindwara	Gujarat, Madhya Pradesh	614,427	N	Under The Mango Tree Society	CSR00002463
41	Solid waste management & waste recycling to control pollution of the Ganga river at Muni-Ki-Reti, Rishikesh	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	Haridwar	Uttarakhand	1,292,000	N	Waste Warriors Society	CSR0000258
42	Conserving the Indus river dolphin in river Beas & Harike wildlife sanctuary	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	Taran Taran	Punjab	1,649,158	N	World Wide Fund for Nature India	CSR00000257

Sr. No.	Name of the CSR Project	Item from the list of activities in Schedule VII	Local Area (Y/N)	District	State	Total Project Budget INR	Mode of implementation Direct (Y/N)	Mode of implementation (Name of Agency)	CSR Registration Number
43	Administrative Charges	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.	Y	Across India	Across India	1,011,811	Y	Administrative Charges	Direct
TOTAL						88,456,087			

(d) Amount spent in Administrative Overheads: **INR 1,011,811**

(e) Amount spent on Impact Assessment, if applicable: **Not Applicable**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **INR 8.85 crore**

(g) Excess amount for set off, if any: **INR 0.12 crore**

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	8.80 crore
(ii)	Total amount spent for the Financial Year	8.85 crore
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0.05 crore
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.07 crore
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.12 crore

9. (a) Details of Unspent CSR amount for the preceding three financial years: **NIL**

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **NIL**

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **NIL**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **Not Applicable**

Sd/-

Mr. Murali Natrajan
Managing Director & CEO

Sd/-

Mr. Farokh Subedar
Chairman – Corporate Social
Responsibility and ESG Committee

CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR

- The Board shall have minimum 6 and maximum 15 Directors, unless otherwise approved. No person of age less than 21 years shall be appointed as a Director on the Board.
- The Bank shall have such person on the Board who complies with the requirements of the Companies Act, 2013, the Banking Regulation (BR) Act, 1949, Provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), the 'Fit & Proper' criteria prescribed by the Reserve Bank of India (RBI), Memorandum of Association and Articles of Association of the Bank and all other statutory provisions and guidelines as may be applicable from time to time.
- Composition of the Board shall be in compliance with the requirements of Regulation 17 (1) of the Listing Regulations.
- Majority of the Directors as required under BR Act shall have specialized knowledge/experience in the areas like Agriculture, Banking, SSI, Legal, Risk Management, Accountancy, Economy, Accountancy and Audit, Finance etc.
- All Directors shall abide by the Code of Conduct.
- Directors shall not attract any disqualification and shall be persons of sound integrity and honesty, apart from knowledge, experience, etc. in their respective fields

POLICY RELATING TO THE REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

- MD & CEO, Company Secretary and Chief Financial Officer shall be the Key Managerial Personnel (KMPs) of the Bank.
- Except for the Chairman and the MD & CEO, no other Directors are paid remuneration. The Chairman and the MD & CEO are paid remuneration as approved by the RBI and other applicable authorities. All Directors except the MD & CEO are entitled to sitting fees for attending various Board and its Committee meetings.
- Independent Directors are not entitled for Employee Stock Options.

- Remuneration of all employees including Senior Management and KMPs are decided as per the Compensation Policy of the Bank. The details are given on website at the following Link: https://www.dcbbank.com/pdfs/Policy_for_Remuneration_for_the_Directors_Key_managerial_personnel_and_other_Employees_of_the_Bank.pdf

PARTICULARS OF EMPLOYEES

The Bank had 9905 employees as on March 31, 2023. 10 employees employed throughout the year were in receipt of aggregate remuneration of not less than ₹1.02 crore per annum and no employee was employed for a part of the year. The details of top 10 employees in terms of remuneration drawn pursuant to provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 (2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are appended separately (Annexure-I) and form part of this Report.

The Report and Accounts are being sent to the Shareholders excluding these particulars and any Shareholder interested in obtaining the said details may write to the Company Secretary at the Registered Office of the Bank at investorgrievance@dcbbank.com.

EMPLOYEE STOCK OPTION PLAN (ESOP) AND CASH SETTLED STOCK APPRECIATION RIGHTS (CSAR)

The Bank has formulated and adopted the DCB Bank Limited -Employee Stock Option Plan in 2005 approved by shareholders on December 15, 2006 and amended from time to time in order to:

- provide means to enable the Bank to attract and retain appropriate human talent in the employment of the Bank;
- motivate the employees of the Bank with incentives and reward opportunities;
- achieve sustained growth of the Bank and to create shareholder value by aligning the interests of the employees with the long-term interests of the Bank; and
- create a sense of ownership and participation amongst the employees of the Bank. The Employee Stock Options ("ESOPs") and the Cash Settled Stock Appreciation Rights ("CSARs") granted to the employees of the Bank currently operate under the following Schemes:
 - i. DCB Bank Limited - Employees Stock Option Plan 2005 ("ESOP Scheme")

ii. DCB Bank Limited -Cash Settled Stock Appreciation Rights Scheme 2022 (“CSARs Scheme”).

During the year, the Bank has not granted any ESOPs. However, 1,170,786 CSARs were granted on October 15, 2022 at the exercise price of ₹ 96.70 per unit of CSAR to the eligible employees of the Bank in accordance with the CSARs Scheme and as approved by the Nomination and Remuneration Committee (“NRC”).

The provisions of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SEBI (SBEB&SE) Regulations, 2021”), do not apply to cash settled SARs Scheme. As the Bank’s SARs Scheme provides only for cash settlement on stock appreciation, the provisions of SEBI (SBEB&SE) Regulations, 2021, are no longer applicable.

The aforesaid Schemes complied SEBI (SBEB&SE) Regulations, 2021, to the extent applicable. During the year under review, no material changes were made to the Schemes.

The relevant details of the aforesaid Schemes, as required under the SEBI (SBEB&SE) Regulations 2021, are available on the Bank’s website viz., URL: <https://www.dcbbank.com/cms/showpage/page/disclosures>. These details, along with the certificates from the Secretarial Auditor, as required under the SEBI (SBEB&SE) Regulations 2021, stating that the ESOP Scheme and the SARs Scheme have been implemented in accordance with the SEBI (SBEB&SE) Regulations, 2021 and the resolution passed by the members, would be placed and available for inspection by the members during the AGM.

PARTICULARS PURSUANT TO SECTION 197(12) AND THE RELEVANT RULES

- a) The ratio of the remuneration of each Director to the median employee’s remuneration for the financial year ended March 31, 2023 and such other details as prescribed are as given below:

Name	Ratio
Mr. Farokh Subedar (Chairman from January 31, 2023)	1:1
Mr. Murali M Natrajan (Managing Director & CEO)	102:1

- b) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name	Ratio
Mr. Farokh Subedar (Chairman from 31-01-2023):	0%
Mr. Murali M Natrajan (Managing Director& CEO):	0%
Mr. Satish Gundewar (Chief Financial Officer):	5%
Ms. Rubi Chaturvedi Company Secretary:	15%

- c) The percentage increase in the median remuneration of employees in the financial year: 7.5%
- d) The number of permanent employees on the rolls of Bank: 9846
- e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year ended March 31, 2023 and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration: Average increase in remuneration is 8.22 % for employees other than Managerial Personnel & 0 % for Managerial Personnel (KMP and Senior Management). There are no exceptional circumstances for increase in the managerial remuneration.
- f) If remuneration is as per the Compensation Policy of the Bank: Yes

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The provisions of Section 134(3)(m) of the Companies Act, 2013 relating to conservation of energy and technology absorption do not apply to the Bank. However, as mentioned in earlier part of the Report, the Bank has been continuously and extensively using technology in its operations. Foreign Exchange earnings and outgo are part of the normal banking business of the Bank.

ESTABLISHMENT OF VIGIL MECHANISM

The Bank has in place a vigil mechanism pursuant to which a Whistle Blower Policy has been in vogue for the last several years. The policy was last reviewed in FY2022-23. This Policy, inter alia, provides a direct access to a Whistle Blower to the Chief Compliance Officer (CCO) on his dedicated e-mail whistleblower@dcbbank.com and Chairman of the Audit Committee of the Board (ACB) on his dedicated e-mail-ID cacb@dcbbank.com. The Whistle Blower Policy covering all employees and Directors is hosted on the Bank’s website at

<http://www.dccbbank.com/cms/showpage/page/whistle-blower-policy>.

None of the Bank's personnel have been denied access to the Audit Committee

THE DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Bank has designed and implemented a process driven framework for Internal Financial Controls ("IFC") within the meaning of the explanation to Section 134(5)(e) of the Companies Act, 2013. For the year ended March 31, 2023, the Board is of the opinion that the Bank has sound IFC commensurate with the nature and size of its business operations wherein controls are in place and operating effectively and no material weaknesses exist. The Bank has a process in place to continuously monitor the existing controls and identify gaps, if any, and implement new and/or improved controls wherever the effect of such gaps would have a material effect on the Bank's operation.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of your Bank had appointed M/s. S. N. ANANTHASUBRAMANIAN & Co., Company Secretaries, Thane, to act as the Secretarial Auditor of the Bank for FY 2022-23. The Secretarial Audit Report for the financial year ended March 31, 2023, as required under Section 204 of the Act and Regulation 24A of the SEBI Listing Regulations, is annexed to this Report. Your Bank is in compliance with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Act for FY 2022-23. The Secretarial Auditor's Report does not contain any qualifications, reservations, adverse remarks or disclaimers except an observation pertaining to appointment of Woman Independent Director on the Board.

In terms of the SEBI circular dated February 8, 2019, your Bank has submitted the Annual Secretarial Compliance Report for FY 2022-23 to the Stock Exchanges within the prescribed time and the same is available on websites of the Stock Exchanges i.e. BSE Limited (www.bseindia.com), National Stock Exchange of India Limited (www.nseindia.com) and on the Bank's website viz., URL: <https://www.dccbbank.com/upload/pdf/BSENSEAnnualSecretarialComplianceReportFY202223.pdf>

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the frame work of internal financial controls and compliance systems established and maintained by the Bank, the work performed by the Internal, Statutory and Secretarial Auditors and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee of the Board, the Board is of the opinion that the Bank's internal financial controls were adequate and effective during the year ended March 31, 2023. Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, based on the above and the representation received from the Operating Management, the Board of Directors, to the best of their knowledge and ability confirms that

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there were no material departure there from;
- (ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied their recommendations consistently and made judgments and estimates that are reasonable and prudent as to give a true and fair view of the state of affairs of the Bank as at March 31, 2023 and of the profit of the Bank for the year ended on that date;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the Bank and that such internal financial controls are adequate and were operating effectively during the year ended March 31, 2023; and
- (vi) proper system has been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively during the year ended March 31, 2023.

COPY OF THE ANNUAL RETURN

A copy of the Annual Return as of March 31, 2023 pursuant to the sub-section (3) of Section 92 of the Companies Act, 2013 read with Rule 11(1) of the Companies (Management and Administration) Rules, 2014 and forming part of this Report is placed on the

website of the Bank as per provisions of Section 134(3)(a) and is available at the following link:

<https://www.dcbbank.com/upload/pdf/Form-MGT-07-for-FY-2022-2023.pdf>

CORPORATE GOVERNANCE

The Bank has been continuously observing the best corporate governance practices and benchmarks itself against each such practice. A separate section on Corporate Governance and a Certificate from M/s S. N. Ananthasubramanian & Co, Practicing Company Secretaries, regarding compliance with the conditions of Corporate Governance as stipulated in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report.

DIRECTORS

During the year under review, Mr. Shaffiq Dharamshi a Non-Executive Director and Ms. Rupa Devi Singh an Independent Director have ceased to be the Directors of the Bank with effect from January 12, 2023 and January 21, 2023 respectively, after completing their term of eight consecutive years (the maximum permissible) as per the provisions of the Banking Regulation Act, 1949. Further Mr. Ashok Barat has ceased to be an Independent Director of the Bank with effect from March 21, 2023 after completing his term of five years as Independent Director.

Mr. Farohk Nariman Subedar was appointed as an Additional Independent Director of the Bank with effect from October 15, 2022 and as the Non-Executive Part Time Chairman of the Bank with effect from January 31, 2023. The Shareholders had approved the appointment of Mr. Subedar as Independent Directors through Postal Ballot concluded on December 20, 2022 and subsequently RBI has approved his appointment as Non-Executive, Part-Time Chairman of the Bank with effect from January 31, 2023.

Mr. Iqbal Khan, Non Executive Non Independent Director of the Bank is liable to retire by rotation and being eligible, has offered him for re-appointment.

Ms. Lakshmy Chandrasekaran was appointed as an Additional Independent Director on April 14, 2023 for a term of three (3) years i.e. up to April 13, 2026. Her appointment is recommended for approval of shareholders in the 28th Annual General Meeting.

A brief resume relating to the persons who are to be appointed/re-appointed as Directors and recommended for approval of Shareholders, are furnished in the notice

of the 28th AGM and Corporate Governance Report Based on the disclosures provided by them. None of the above mentioned persons is disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. The Certificate dated May 5, 2023 issued by M/s. Ananthasubramanian & Co., Practicing Company Secretaries in this regard is attached to and forming part of this report.

In the opinion of the Board of Directors, all the above mentioned Directors being appointed /re-appointed, possess the required integrity, expertise and experience (including the proficiency) of the Independent Director appointed during the year/as on date of this report

None of the Directors of the Bank is related to each other per se

CHANGE IN KEY MANAGERIAL PERSONNEL

Mr. Bharat Laxmidas Sampat ceased to be a Chief Financial Officer of the Bank on June 30, 2022 due to his retirement and Mr. Satish Subhash Gundewar was appointed as Chief Financial Officer of the Bank effective July 01, 2022.

Please note that Mr. Gundewar has tendered his resignation from the services of the Bank to pursue his career outside the Bank. His last working day with the Bank would be June 3, 2023. The Bank has identified Mr. Ravi Kumar as "officer in charge" to take over from Mr. Gundewar from June 4, 2023 onwards.

A STATEMENT INDICATING THE MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

As per the Board Evaluation Policy of the Bank, evaluation exercise of all Directors, Board as a whole and its various Committees was conducted during the year.

The Board review focused on governance, board structure and composition, relationship and dynamics of the Board, frequency of meetings, information flow and agenda etc.

The Committee review focused on the composition, adequacy of terms of reference of various committees, frequency of meetings etc.

The individual Board members review focused on relevant qualification/skill sets, understanding of the Bank and banking industry, contribution in meetings, attendance etc.

The findings of the exercise were discussed in the meetings of Independent Directors and the Board. The appropriate feedback was conveyed to each Director. The Board was satisfied with the performance of each Member, the Board and various Committees.

The details of familiarisation programme arranged for independent directors have been disclosed on website of the bank and are available at the following link:

<https://www.dcbbank.com/upload/pdf/Familiarisation-Programme-for-Independent-Directors.pdf>

STATUTORY AUDITORS

In the Twenty Sixth Annual General Meeting (26th AGM) held on August 13, 2021, the terms of S R Batliboi & Associates LLP, Chartered Accountants (Registration No. 101049W/E300004) were revised from 4 years to 3 years from the FY 2020-21 till (and including) the FY 2022-23 as Statutory Auditors of the Bank to hold office for three (3) years from their original appointment at the Twenty Fifth Annual General Meeting as per the requirements of the guidelines dated April 27, 2021, issued by Reserve Bank of India (RBI). Pursuant to the said RBI Guidelines, M/s Sundaram & Srinivasan, Chartered Accountants, (ICAI Registration No. 004207S), were also appointed as Joint Statutory Auditors of the Bank in the 26th AGM. As such, both the statutory auditors are working as joint statutory auditors for the Bank from FY 2021-22.

As per the extant provisions, the RBI gives permission for appointment of auditor on year-to-year basis till expiry of the tenure of the Statutory Auditors. Accordingly relevant application have been made to RBI requesting its approval for appointment of S R Batliboi & Associates LLP, Chartered Accountants (Registration No. 101049W/E300004) and M/s Sundaram & Srinivasan, Chartered Accountants, (ICAI Registration No. 004207S) as the Joint Statutory Auditors of the Bank for FY 2022-23.

SECRETARIAL AUDIT REPORT

Pursuant to the requirements of the Companies Act, 2013, the Bank has appointed M/s. Ananthasubramanian & Co., Practicing Company Secretaries (COP 1774) as the Secretarial Auditor for FY 2022-23 and their report is attached separately to this Report.

ACKNOWLEDGEMENTS

Your Board wishes to thank the principal Shareholder and Promoters, the Aga Khan Fund for Economic Development S.A. (AKFED) and all the other Shareholders for the confidence and trust they have reposed in the Bank. Your Board also acknowledges with appreciation the Reserve Bank of India (RBI) for its valuable guidance and support to the Bank. Your Board similarly expresses gratitude for the assistance and co-operation extended by SEBI, BSE, NSE, NSDL, CDSL, NPCIL, Central Government and the Governments of various States, Union Territories and the National Capital Region of Delhi where the Bank has its branches.

Your Board acknowledges with appreciation, the invaluable support provided by the Bank's auditors, lawyers, business partners and investors. Your Board is also thankful for the continued co-operation of various financial institutions and correspondents in India and abroad.

Your Board wishes to sincerely thank all its customers for their patronage. Your Board records with sincere appreciation the valuable contribution made by employees at all levels and looks forward to their continued commitment to achieve further growth and take up more challenges that the Bank has set for the future.

On behalf of the Board of Directors

SD/-
Farokh N. Subedar
Chairman

Place: Mumbai
Date: May 05, 2023

CORPORATE GOVERNANCE

Report on Corporate Governance pursuant to Schedule V (C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) and forming Part of the Directors' Report for the year ended March 31, 2023.

The Bank has complied with the corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Listing Regulations.

PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Bank on an ongoing basis continues to believe strongly in adopting and adhering to the best corporate governance practices and benchmarking itself against the industry's best practices. It is the Bank's ongoing endeavor to achieve the highest levels of governance as a part of its responsibility towards the Shareholders and other Stakeholders. Transparency and integrity continue to be the cornerstones for good governance, and the Bank is strongly committed to these principles for enhancing the Stakeholders' value.

BOARD OF DIRECTORS

The Bank, as on date of this Report, has a Non-Executive (Part-time) Chairman, a Managing Director & Chief Executive Officer (MD & CEO), and eight (8) other Directors including a Woman Independent Director on its Board. The Directors on the Board of the Bank including the Independent Directors appointed during the year have required expertise and experience (including the proficiency) in their respective fields and integrity.

Except for the Director Mr. Iqbal Khan and the MD & CEO Mr. Murali M. Natrajan, all the other 8 Directors are 'Independent'. As against the requirement of the Listing Regulations for the number of Independent Directors to be more than 1/3rd of the total number of Directors, your Board has 80% of its directors in the 'Independent' category. The day-to-day management of the Bank is entrusted to the Senior Managerial team under the leadership of the MD & CEO who operates under the superintendence, direction and control of the Board. The Board reviews and approves strategy and oversees the actions and performance of the management periodically for enhancing the Stakeholders' value.

In terms of Companies (Creation and Maintenance of Databank of Independent Directors) Rules 2019 read with Companies (Appointment and Qualification of Directors) fifth Amendment Rules, 2019 or any other related Rules, all the Independent Directors of the Bank are enrolled with the databank of Independent Directors maintained by the Government.

All the Directors of the Bank and their relatives together hold total 2,552,945 Equity Shares of the Bank (0.82% of Capital) i.e. less than 2% of the issued and paid-up equity share capital of the Bank as on March 31, 2023

COMPOSITION OF THE BOARD OF DIRECTORS

Mr. Farokh N. Subedar, is the Part Time Non-Executive Chairman and Independent Director of the Bank. He has vast experience in the areas of business management, finance, taxation, law, risk management and accounts. He has been on the boards of various Tata companies and has been closely associated with several Non - Banking Financial Companies. Mr. Subedar superannuated from Tata Sons Private Limited ("Tata Sons") as the Chief Operating Officer. Mr. Subedar also functioned as the Chief Financial Officer and Company Secretary of Tata Sons. Mr. Subedar's association with Tatas spans over 36 years. He has also been the past President of the Bombay Chamber of Commerce and Industry. Mr. Subedar holds a Bachelor's degree in Commerce and is a Member of The Institute of Chartered Accountants of India and The Institute of Company Secretaries of India.

Mr. Farokh Subedar does not hold any Equity Shares in the Bank as on March 31, 2023.

Mr. Amyn Jassani, is an Independent Director of the Bank and has over 30 years of experience primarily with the big four accounting firms. He is a Fellow member of the Institute of Chartered Accountants of India and is also a member of the Institute of Company Secretaries of India. Additionally, he has passed examinations for Certified Information System Auditor (CISA) and Social Auditors Certification.

Mr. Amyn Jassani holds 100 Equity Shares in the Bank as on March 31, 2023.

Mr. Iqbal Khan, a Non-Executive Director of the Bank, is a Senior Partner at Shardul Amarchand Mangaldas & Co. and a member of the Private Equity and Mergers & Acquisitions Practice Group. He advises some of the largest sovereign wealth funds, global private equity funds and strategic corporate, and specializes in private equity investments, private and public mergers and acquisitions (both domestic and cross-border), joint ventures and foreign investment laws. Mr. Iqbal finished his J.D. from Columbia Law School (as a Harlan Fisk Stone Scholar) and LLB. From London School of Economics and Political Science. Mr. Iqbal has also worked at Kirkland & Ellis LLP, New York and at Paul, Weiss, Rifkind, Wharton & Garrison LLP, New York. He is enrolled with the Bar Council of Maharashtra & Goa.

Mr. Iqbal Khan does not hold any Equity Shares in the Bank as on March 31, 2023

Mr. Rafiq Ramzanali Somani, an Independent Director of the Bank, holds a B.E. in Computer Science and a

Master in Marketing Management degree's. He has 33 years of experience in the Information and Technology field. Currently, he is an Area Vice President for India and South Asia Pacific at ANSYS Inc

Mr. Rafiq Ramzanali Somani holds 1,395 Equity Shares in the Bank as on March 31, 2023.

Mr. Shabbir Merchant, an Independent Director of the Bank, holds a Masters in Personnel Management with more than 32 years of experience. He is the founder of Valulead Consulting, a leadership consulting firm. His firm partners with clients in Asia & Europe for strategic talent management, leadership development, organization transformation and top team synergy.

Mr. Shabbir Merchant holds 850 Equity Shares in the Bank as on March 31, 2023.

Mr. Somasundaram PR, an Independent Director of the Bank, is a Chartered and Cost Accountant with over 31 years' experience across Unilever Group companies in India and abroad, Standard Chartered Bank and others. Currently he is the Regional CEO- India of the World Gold Council.

Mr. Somasundaram PR does not hold any Equity Shares in the Bank as on March 31, 2023

Mr. Tarun Balram is an Independent Director of the Bank w.e.f. January 24, 2022. He is a senior banker with almost 30 years of experience with HSBC in the Corporate and Institutional banking domain. He worked in various capacities including Managing Director and Head India - Corporate & Institutional Banking, covering HSBC's Corporate & Financial Sector Clients (local and multi-national). He has also played an active leadership role in championing HSBC India's Diversity & Inclusion agenda as well as been a mentor to several middle-management executives, guiding them through their career journey. Mr. Tarun Balram is a Commerce graduate from Delhi University post which, he undertook a double Masters in Business Economics and Business Management, respectively.

Mr. Tarun Balram does not hold any Equity Shares in the Bank as on March 31, 2023

Mr. Thiyagarajan Kumar is an Independent Director of the Bank w.e.f. February 10, 2022. He is a Business Leader with over 37 years of experience with the Unilever group, Times Group, in the Finance, Commercial, Governance, Audit / Assurance functions. He worked in various capacities including General Manager - Finance, Audit Director with Unilever from October 1986 to Sep 2008 and was Director, Management Assurance Services of

the Times Group between Oct 2008 till March 2023. He is associated as Member of the Governing Council of Loyola Institute of Business Administration (LIBA), Chennai, Secretary, Loyola Alumni Association, Delhi, and the council member of parent Alumni body at Chennai. He was also past president of the Institute of Internal Auditors, India. He is B. Com, Associate of Institute of Chartered Accountants of India, Associate of Institute of Cost and Works Accountants of India and completed his Post Graduate Diploma in Management Accountancy Course, ICAI.

Mr. Thiagarajan Kumar does not hold any Equity Shares in the Bank as on March 31, 2023

Ms. Lakshmy Chandrasekaran is an Independent Director of the Bank w.e.f. April 14, 2023. She is a Chartered Accountant by qualification. She also holds a diploma in Internal Financial Reporting and Information Systems and has over 35 years' of experience in the field of Accountancy, Finance, Taxation, and Risk Management. She is a Senior Partner of M/S.P.CHANDRASEKAR LLP, Chartered Accountants, a leading firm of Chartered Accountants, established in the year 1988 specializing in the field of Auditing, Taxation, Corporate Advisory Services, Management Consulting Services, Due diligence, Valuations, Inspections and Investigations. With over 31 years of experience as an Audit partner for Listed and Unlisted Entities besides NBFCs and Public and Private Sector Banks, for the last many years. Also, in charge of Risk Management, Quality Assurances, Governance of Clients and Financial Consultancy to Medium and Large Business Organisations. She is also a partner in charge of Due Diligence and Fraud Detection in Corporate Accounting and Finance and technical aspects of Systems Control and Data Managements

Ms. Lakshmy Chandrasekaran does not hold any Equity Shares in the Bank.

Mr. Murali M. Natrajan, FCA, Managing Director & Chief Executive Officer of the Bank since April, 2009, has 39 years global experience in financial services. This includes

Branch Banking, Mortgages, Credit Cards, Personal Loans, Wealth Management, SME, MSME, Corporate Banking, Agriculture, Operations, Technology, Credit Risk, Re-engineering, Finance, Marketing and Product Management. He has had successful international stints in Singapore, Hong Kong, South Korea and Indonesia. Prior to joining the Bank, Mr. Natrajan worked as Global Head of SME Banking, Standard Chartered Bank and was reporting to the CEO Global Consumer Banking. He was managing 27 countries and in collaboration with country teams was, inter alia, responsible for strategy, product creation, franchise development and portfolio quality. From November, 2004 to June, 2008, he was the Head of Consumer Banking (including SME Banking), India & Nepal, Standard Chartered Bank. He was responsible for Strategy, Business, Credit, Finance, Human Resources, Sales, Service, Operations, Distribution, Marketing, Business Analytics and Projects. In Standard Chartered Bank, he was a member of Global Executive Forum. In 1984, he started his career in India with American Express, Travel Related Services where he worked for five years. He gained experience in Business Planning, Finance and Operations. He was posted in Hong Kong / Singapore from August, 1987 to February, 1989. In October 1989, he joined Citibank consumer division where he spent 14 years in various departments (Operations, Credit, Risk, Finance, Product, Marketing and Business). Globally, this was the time when consumer banking was taking shape. As Business Manager of Cards, he launched several innovative products – Times Card, Women's Card, Indian Oil Card, Loan-on-Phone and Jet Airways Co-Brand. Loan on Phone later became a global success. He was responsible for the turnaround of Credit Cards business. In the year 2000, Citibank promoted him as Cards Business Director of Hong Kong. Later in July, 2002, he moved to Citibank Indonesia where he managed Cards Business and Consumer Finance. For a brief period in 2002, he worked in Citibank – Consumer Division, South Korea.

Mr. Murali M. Natrajan holds 2,550,000 Equity Shares in the Bank as on March 31, 2023.

OTHER LISTED ENTITIES IN WHICH THE DIRECTORS OF THE BANK ARE DIRECTORS AND CATEGORY OF THEIR DIRECTORSHIP AS ON MARCH 31, 2023

Sr. No.	Name of the Director	Other Listed Entity in which he/she is a director	Category of Directorship
1.	Mr. Farokh N. Subedar*	i) Tata Investment Corporation Limited	Non - Executive Director
		ii) Tata Capital Financial Services Limited	Non - Executive Director
		iii) Tata Capital Limited	Non - Executive Director
2.	Mr. Murali M. Natrajan	NIL	Not Applicable
3.	Mr. Aryn Jassani	NIL	Not Applicable
4.	Mr. Iqbal Ishak Khan	NIL	Not Applicable
5.	Mr. Rafiq Somani	NIL	Not Applicable
6.	Mr. Shabbir Merchant	NIL	Not Applicable
7.	Mr. Somasundaram PR	NIL	Not Applicable
8.	Mr. Tarun Balram	NIL	Not Applicable
9.	Mr. Thiyagarajan Kumar	NIL	Not Applicable
10.	Ms. Lakshmy Chandrasekaran #	NIL	Not Applicable

* Appointed as an Additional Independent Director w.e.f. October 15, 2022, appointed as Independent Director by Shareholders through Postal Ballot dated December 20, 2022 and subsequently RBI has approved his appointment as Non-Executive, Part-Time Chairman of the Bank w.e.f. January 31, 2023.

Appointed as an Additional Independent Director w.e.f. April 14, 2023 subject to approval of the shareholders.

BOARD DIVERSITY AND EXPERTISE

The skill or competencies for the members of the Board of the Banking companies are provided in Section 10 A of the Banking Regulation Act, 1949. Accordingly, skills were identified for the Bank's Board of Directors. The details of identified skills and the names of Directors who are having the identified skills are given below:

Skill/Expertise	Name of Directors	Skill/Expertise	Name of Directors
(i) Accountancy & Audit	Mr. Farokh N. Subedar	(iv) Economics	Mr. Murali M. Natrajan
	Mr. Murali M. Natrajan		Mr. Somasundaram PR
	Mr. Somasundaram PR		Mr. Aryn Jassani
	Mr. Aryn Jassani		Mr. Thiyagarajan Kumar
	Mr. Thiyagarajan Kumar	(v) Finance	Mr. Farokh N. Subedar
	Ms. Lakshmy Chandrasekaran		Mr. Murali M. Natrajan
(ii) Agriculture & Rural Economy	Mr. Rafiq Somani		Mr. Aryn Jassani
	Mr. Murali M. Natrajan		Mr. Somasundaram PR
(iii) Banking	Mr. Murali M. Natrajan		Mr. Tarun Balram
	Mr. Somasundaram PR		Mr. Thiyagarajan Kumar
	Mr. Tarun Balram		Ms. Lakshmy Chandrasekaran
	Mr. Thiyagarajan Kumar	(vi) Law	Mr. Farokh N. Subedar
			Mr. Iqbal Khan
			Mr. Aryn Jassani

Skill/Expertise	Name of Directors
(vii) Small scale industry	Mr. Murali M. Natrajan
	Mr. Rafiq Somani
(viii) Information Technology	Mr. Rafiq Somani
	Mr. Murali M. Natrajan
	Mr. Aryn Jassani
(ix) Payment & Settlement Systems	Mr. Murali M. Natrajan
	Mr. Somasundaram PR
	Mr. Tarun Balram
(x) Human Resources	Mr. Shabbir Merchant
	Mr. Murali M. Natrajan
	Mr. Somasundaram PR
	Mr. Aryn Jassani
	Mr. Tarun Balram
	Mr. Thiyagarajan Kumar
(xi) Risk Management	Mr. Farokh N. Subedar
	Mr. Aryn Jassani
	Mr. Murali M. Natrajan
	Mr. Tarun Balram
	Mr. Thiyagarajan Kumar
	Ms. Lakshmy Chandrasekaran

Skill/Expertise	Name of Directors
(xii) Business Management	Mr. Farokh N. Subedar
	Mr. Murali M. Natrajan
	Mr. Somasundaram PR
	Mr. Rafiq Somani
	Mr. Shabbir Merchant
	Mr. Tarun Balram
(xiii) Product Development & Marketing	Mr. Thiyagarajan Kumar
	Mr. Murali M. Natrajan
	Mr. Rafiq Somani
	Mr. Somasundaram PR
(xiv) Merger & Acquisitions & Strategic Options	Mr. Shabbir Merchant
	Mr. Somasundaram PR
	Mr. Iqbal Khan
	Mr. Murali M. Natrajan

Composition of Board of Directors

Sr. No.	Name of Director	Independent / Non-Independent Director
1	Mr. Farokh Nariman Subedar *	Non-Executive Part-time Chairman and Independent Director
2	Mr. Murali M. Natrajan	Managing Director & CEO
3	Mr. Aryn Jassani	Independent Director
4	Mr. Iqbal Ishak Khan	Non-Executive , Non-Independent Director
5	Mr. Rafiq Somani	Independent Director
6	Mr. Shabbir Merchant	Independent Director
7	Mr. Somasundaram PR	Independent Director
8	Mr. Tarun Balram	Independent Director
9	Mr. Thiyagarajan Kumar	Independent Director
10	Ms. Lakshmy Chandrasekaran**	Independent

*Appointed as an Independent Director with effect from October 15, 2022 and as the Chairman with effect from January 31, 2023

** Appointed as an Additional Independent Director with effect from April 14, 2023 subject to approval of Shareholders

In the opinion of the Board, the Independent Directors fulfil the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

During the year under review, Mr. Shaffiq Dharamshi a Non-Executive Director and Ms. Rupa Devi Singh an Independent Director have ceased to be the Directors of the Bank on January 12, 2023 and January 21, 2023 respectively, after completing their term of eight consecutive years (the maximum permissible) as per the provisions of the Banking Regulation Act, 1949. Mr. Ashok Barat has ceased to be the Independent Director of the Bank on March 21, 2023 after completing his term of five years as Independent Director.

During the year ended March 31, 2023, total eleven (11) Board Meetings were held on May 6, 2022, May 7, 2022, June 22, 2022, July 21, 2022, July 30, 2022, September 17, 2022, October 15, 2022, November 5, 2022, January 28, 2023, January 31, 2023 and March 27, 2023.

Details of attendance at the Board Meetings, Directorship, Membership and Chairmanship in other companies for each Director of the Bank are as follows:

Name of Director	Attendance at the Board Meetings	Directorship of other Indian public limited listed Companies	Directorship of other than listed Companies	Membership of other Listed Companies' Committees #	Chairmanship of other Listed Companies' Committees#
Mr. Farokh N. Subedar*	4	4	1	4	1
Mr. Murali M. Natrajan	11	-	-	-	-
Mr. Aryn Jassani	11	-	-	-	-
Mr. Ashok Barat**	10	4	4	5	4
Mr. Iqbal Khan	10	-	-	-	-
Mr. Rafiq Somani	10	-	-	-	-
Ms. Rupa Devi Singh***	5	1	5	3	-
Mr. Shabbir Merchant	10	-	-	-	-
Mr. Shaffiq Dharamshi****	6	-	-	-	-
Mr. Somasundaram PR	10	-	-	-	-
Mr. Tarun Balram	10	-	1	-	-
Mr. Thiagarajan Kumar	11	-	-	-	-

* Appointed as Additional Independent Director w.e.f. October 15, 2022 and Non-Executive Part-Time Chairman w.e.f. January 31, 2023.

** Ceased to be director w.e.f. March 21, 2023

*** Ceased to be director w.e.f. January 21, 2023

**** Ceased to be director w.e.f. January 12, 2023

Disclosure of Chairmanship & Membership includes only two committees viz. Audit Committee and Stakeholders' Relationship Committee.

Other than the above 11 Board Meetings, a meeting of Independent Directors was also held on March 27, 2023 as per the requirement and the same was attended by all the Independent Directors in person.

All Directors then on the Board of the Bank had attended the last Annual General Meeting held on June 22, 2022.

COMPOSITION OF COMMITTEES OF DIRECTORS AS ON MARCH 31, 2023 AND ATTENDANCE THEREOF DURING THE FINANCIAL YEAR 2022-23

Various Committees of Directors have been appointed by the Board for taking informed decisions in the best interest of the Bank. These Committees monitor the activities falling within the irrelative terms of reference. The Board's Committees are as follows:

AUDIT COMMITTEE OF BOARD (ACB)

Mr. Thiagarajan Kumar (w.e.f. March 27, 2023) chairs the Audit Committee of Board (ACB) of the Bank. The other members of ACB are Mr. Aryn Jassani and Mr. Somasundaram PR (w.e.f. January 29, 2023). All the Three (3) members are Independent Directors (IDs) as against the requirement of 2/3rd IDs under the Listing Regulations. Mr. Shaffiq Dharamshi and Mr. Ashok Barat ceased to be Director of the Bank w.e.f. January 12, 2023 and March 21, 2023 respectively and therefore, members of the ACB. Mr. Thiagarajan Kumar was appointed as the Chairman of ACB w.e.f. March 27, 2023.

The Company Secretary acts as the Secretary to ACB. The terms of reference of the ACB are in accordance with Section 177 of the Companies Act, 2013, terms prescribed by the RBI and SEBI Listing Regulations and, inter-alia, include the following:

1. Overseeing the Bank's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board the appointment, reappointment and, if required, the replacement or removal of the Statutory Auditors and fixation of their audit fees, and confirm their independence.
3. Approving payment to Statutory Auditors for any other services rendered by them, if authorised by the Board.
4. Reviewing with the management, the quarterly financial statements before submission to the Board for approval and securing the Certificate from the CFO in terms of the requirements under the Listing Regulations.
5. Evaluate internal financial controls and risk management systems.
6. Review with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
7. Any other terms of reference as may be included from time to time in the Listing Regulations.

During the year under review, the ACB met on Eleven (11) occasions.

CREDIT COMMITTEE OF BOARD (CCB)

Mr. Somasundaram PR, chairs the Credit Committee of Board (CCB) and other members are Mr. Tarun Balram and Mr. Farokh N. Subedar (w.e.f. January 29, 2023). The CCB, inter-alia, looks after sanctioning of loans and advances, approving of One Time Settlements (OTS), etc. Ms. Rupa Devi Singh ceased to be member of the CCB w.e.f. January 21, 2023. The Committee was last reconstituted on January 29, 2023 adding Mr. Farokh N. Subedar as a member of the CCB.

During the year, the CCB met on eighteen (18) occasions.

RISK MANAGEMENT COMMITTEE OF BOARD (RMC)

Mr. Aryn Jassani chairs the Risk Management Committee of Board (RMC). Other members of the RMC are Mr. Somasundaram PR, Mr. Tarun Balram and Mr. Murali M. Natrajan. RMC, the apex body of the Bank's risk management architecture, is responsible for aligning various risk policies of the Bank with the risk appetite and risk philosophy articulated by the Board. It approves specific risk policies, including the Credit Policy, Investment Policy, Asset Liability Management Policy, Outsourcing Policy, Operational Risk Management Policy, KYC Standards and Anti-Money Laundering measures, etc. The Terms of Reference of the RMC also include Management of the Committees of Executives viz. Operational Risk Management Committee (ORCO), Asset Liability Management Committee (ALCO), Credit Risk Management Committee (CRMC), through the review of their minutes and any issues that require the attention of the RMC, and manage effectively the risk profile of the Bank. Mr. Ashok Barat ceased to be member of the RMC w.e.f. March 21, 2023.

During the year, the RMC met on four (4) occasions.

NOMINATION & REMUNERATION COMMITTEE OF BOARD (NRC)

Mr. Somasundaram PR chairs the NRC. Other members are Mr. Aryn Jassani, Mr. Shabbir Merchant, Mr. Farokh Subedar (w.e.f. January 29, 2023), Mr. Iqbal Khan (w.e.f. January 29, 2023) Except Mr. Iqbal Khan, other four members are Independent Directors and hence the necessary compliance is ensured. The Committee was reconstituted on January 29, 2023 and Mr. Farokh N. Subedar and Mr. Iqbal Khan were appointed as Members of NRC. Mr. Shaffiq Dharamshi and Ms. Rupa Devi Singh were ceased to be members of NRC w.e.f. January 12, 2023 and January 21, 2023 respectively. The NRC, inter-alia, looks after the due diligence and recommendation process for appointment/re-appointment of Directors, evaluation of performance of Directors, remuneration, ESOPs, etc. to the MD & CEO, Key Managerial Personnel of the Bank and other Senior Management team of the Bank, monitoring of the compensation policy of the Bank, etc. Board of Directors had approved the criteria for performance evaluation of the Board, including Independent Directors.

During the year, the NRC met on seven (7) occasions.

STAKEHOLDERS' RELATIONSHIP COMMITTEE OF BOARD (SRC)

Mr. Shabbir Merchant chairs the Stakeholders' Relationship Committee of Board (SRC). The other members are Mr. Aryn Jassani and Mr. Rafiq Somani. The SRC monitors redressal of grievances of the security holders including complaints related to transfer/transmission of shares, non-receipt of dividend, non-receipt of annual reports, issue of new/duplicate certificates interest payment on Bonds, etc. The SRC reviews the measures taken for effective exercise of voting rights by Shareholders, adherence to the service standards adopted and the various measures and initiatives taken by the Bank for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the Shareholders. The SRC also takes note of number of transfers processed, issue of fresh share certificates, top Shareholders, pattern of shareholding, etc. During the financial year 2022-23, 04 (Four) complaints regarding non-receipt of share certificates, non-receipt of dividends and updating of KYC were received and the same were appropriately resolved/responded. There was no request for transmission, deletion, change in name etc. was pending as on March 31, 2023. The Company Secretary acts as the Secretary and has been appointed as the Compliance Officer of the SRC.

During the year, the SRC met on four (4) occasions.

FRAUD REPORTING & MONITORING COMMITTEE OF BOARD (FRMC)

Pursuant to the directives of the RBI to all commercial banks, the Bank has constituted a Fraud Reporting and Monitoring Committee of Board (FRMC) for monitoring cases of fraud involving amounts of ₹ 1 crore or more. Mr. Aryn Jassani, Mr. Shabbir Merchant, Mr. Murali M. Natrajan and Mr. Thiagarajan Kumar (w.e.f. September 03, 2022) are the other members. The Committee was last reconstituted on September 03, 2022. Ms. Rupa Devi Singh and Mr. Ashok Barat were ceased to be Chairperson and members of FRMC w.e.f. January 21, 2023 and March 21, 2023 respectively.

During the year, the FRMC met on four (4) occasions.

CUSTOMER SERVICE COMMITTEE OF BOARD (CSC)

Mr. Farokh N. Subedar Chairs the Customer Service Committee of Board w.e.f. January 29, 2023. The other members of the Customer Service Committee of Board (CSC) are Mr. Aryn Jassani, Mr. Thiagarajan Kumar (w.e.f. September 03, 2022) and Mr. Murali M. Natrajan. The CSC monitors enhancing the quality of customer services and improving the level of customer satisfaction for all categories of clientele at all times. It also oversees the functioning of Standing Committee of Executives on Customer Service.

During the year, the CSC met on four (4) occasions.

CAPITAL RAISING COMMITTEE OF BOARD (CRC)

The Board of Directors at its meeting held on January 28, 2023 discontinued this Committee.

INFORMATION TECHNOLOGY STRATEGY COMMITTEE OF BOARD (ITSC)

Mr. Rafiq Somani Chairs Information Technology Strategy Committee of Board (ITSC). The other members are Mr. Iqbal Khan and Mr. Murali M. Natrajan (MD & CEO). Mr. R. Venkatesh, Head Op., Tech, HR & CIO is also a member of the ITSC as a Management Representative. ITSC, inter alia, approves IT related strategy, road map for initiatives, budget and investments to support the Bank's growth strategies in accordance with the Business Plan.

During the year, the ITSC met on four (4) occasions.

CORPORATE SOCIAL RESPONSIBILITY & ENVIRONMENT, SOCIAL AND GOVERNANCE COMMITTEE ("CSR AND ESG COMMITTEE")

Mr. Farokh N. Subedar chairs the CSR and ESG Committee w.e.f. January 29, 2023. The other members of the CSR and ESG Committee are Mr. Rafiq Somani, Mr. Thiagarajan Kumar (w.e.f. September 03, 2022) and Mr. Murali M. Natrajan, MD & CEO. The Board of Directors at its meeting held on January 28, 2023 had renamed the Corporate Social Responsibility Committee of Board to Corporate Social Responsibility & Environment, Social and Governance Committee of Board.

The CSR & ESG Committee formulates and recommends to the Board, the CSR Policy of the Bank and also recommends amount of expenditure to be incurred and monitors the CSR activities of the Bank.

During the year, the CSC met on four (4) occasions.

WILFUL DEFAULTERS REVIEW COMMITTEE OF BOARD (WDRC)

The members of the Wilful Defaulters - Review Committee are Mr. Murali M. Natrajan (Chairman) and any two Independent Directors of the Bank depending upon their availability, as its members.

No meeting of the Committee was held during the year under review.

SUMMARY OF ATTENDANCE OF DIRECTORS FOR FY 2022-23

Sr. No.	Name of Director	Appointed On	BM	ACB	CCB	CRC #	RMC	FRMC	NRC	SRC	CSC	ITSC	CSR	WDRC
	No. of Meetings held		11	11	18	0	4	4	7	4	4	4	4	0
1.	Mr. Farokh N. Subedar *	October 15, 2022	4	-	4	0	-	-	1	-	1	-	1	
2.	Mr. Murali M. Natrajan	April 29, 2009	11	-	-	0	4	4	-	-	4	4	4	
3.	Mr. Amyn Jassani	January 25, 2020	11	11	-	0	4	4	7	4	4	-	-	
4.	Mr. Ashok Barat**	March 22, 2018	10	10	-	0	3	3	-	-	-	-	-	
5.	Mr. Iqbal Khan	July 15, 2017	10	-	-	0	-	-	1	-	-	2	-	-
6.	Mr. Rafiq Somani	March 09, 2020	10	-	-	0	-	-	-	4	-	4	4	
7.	Ms. Rupa Devi Singh***	January 22, 2015	5	-	7	0	-	2	4	-	2	-	3	
8.	Mr. Shabbir Merchant	January 25, 2020	10	-	-	0	-	3	6	4	-	-	-	
9.	Mr. Shaffiq Dharamshi****	January 13, 2015	6	7	-	0	-	-	2	-	-	-	-	
10.	Mr. Somasundaram PR	January 25, 2020	10	1	17	0	3	-	7	-	-	-	-	
11.	Mr. Tarun Balram	January 24, 2022	10	-	18	0	4	-	-	-	-	-	-	
12.	Mr. Thiagarajan Kumar	February 10, 2022	11	11	-	0	-	2	-	-	3	-	2	

* Appointed as Additional Independent Director w.e.f. October 15, 2022 and Non-Executive Part-Time Chairman w.e.f. January 31, 2023.

** Ceased to be director w.e.f. March 21, 2023

*** Ceased to be director w.e.f. January 21, 2023

this Committee discontinued with effect from January 28, 2023

Note: As per the regulatory requirement, a meeting of Independent Directors was also held on March 27, 2023 and the same was attended by all the Independent Directors on Board.

REMUNERATION OF DIRECTORS

On the recommendation of the Board, the Reserve Bank of India vide its letter DoR.GOV.No.S6961/29.03.002/2022-23 dated January 31, 2023 had approved the appointment of Mr. Farokh Nariman Subedar as Non-Executive Part Time Chairman of the Bank for a period of three years with effect from January 31, 2023 at fixed honorarium of ₹ 2,400,000 per annum plus reimbursement of actual business-related expenses and one (1) club membership in addition to the sitting fee for attending Board and Committee meetings.

As approval of the Shareholders for payment of the aforesaid honorarium to Mr. Farokh Subedar is sought in the forthcoming 28th AGM, he has been paid only sitting fees for attending the meetings of the Board / Committees during the year 2022-23.

The Bank has in place service contract / agreement with the Managing Director & CEO indicating therein all terms and conditions of his appointment including the notice period.

Mr. Murali M. Natrajan is the Managing Director & Chief Executive Officer (MD & CEO) of the Bank. The details of the remuneration paid to him during FY 22-23 basis RBI approvals vide its letter No. DoR.GovNo.7957/29.03.001/2022-23 dated March 14, 2023 are as follows:

Particulars	Amount (₹)*
Basic	23,990,400
Allowances and Perquisite value	17,339,341
Contribution to Provident Fund	2,878,848
No. of CSARs granted during the year (2022-23)	131,348

RBI has approved variable pay of ₹ 7,500,000 for Managing Director & CEO for FY 21-22 and the applicable payment has been released in the month of April 2023 in line with RBI guidelines.

*Perquisites (evaluated as per Income Tax Rules wherever applicable and at actual cost to the Bank otherwise) such as furnished accommodation, gas, electricity, water and furnishing, club fees, personal accident insurance, use of car and telephone at residence, medical reimbursement, leave and leave travel concession were provided in accordance with the policy of the Bank in this regard. The above figures exclude perquisite value of ESOPs exercised, if any, during the Financial Year 2022-23. No sitting fees were paid to him for attending the meetings of the Board and Committees thereof.

Mr. Natrajan has exercised 150,000 stock options during the year under review.

Other than the Honorarium payable to the Non- Executive Part-time Chairman, only sitting fees are paid to the Non-Executive Directors during the year as under:

Name of Director	Sitting Fees (₹)
Mr. Aryn Jassani	2,980,000
Mr. Ashok Barat+++	1,760,000
Mr. Farokh N. Subedar	750,000
Mr. Iqbal Khan	910,000
Mr. Rafiq Somani	1,450,000
Ms. Rupa Devi Singh++	1,470,000
Mr. Shabbir Merchant	1,540,000
Mr. Tarun Balram	2,310,000
Mr. Shaffiq Dharamshi *+	Sitting fees waived
Mr. Somasundaram PR *	Sitting fees waived
Mr. Thiyagarajan Kumar **	790,000
Total	13,960,000

*Waived off their sitting fees

** Had waived off sitting fees till November 2022.

+ Ceased to be director w.e.f. January 12, 2023

++Ceased to be director w.e.f. January 21, 2023

+++ Ceased to be director w.e.f. March 21, 2023

No single Non-Executive Director is paid remuneration exceeding fifty percent of the total annual remuneration paid to all the Non-Executive Directors during the financial year 2022-23.

DECLARATION GIVEN BY INDEPENDENT DIRECTORS

All the Independent Directors have given the necessary declarations to the Bank as required under sub section (6) of Section 149 of the Companies Act, 2013.

GENERAL BODY MEETINGS HELD DURING THE LAST THREE YEARS

Date	Venue	Special Resolutions passed
27thAGM 22.06.2022 at 2.30 p.m.	Video Conferencing / Other Audio Video Visual Means (VC/OAVM)	i) Raising of Funds by issue of bonds / debentures/securities on Private Placement basis. ii) Issue of Equity Shares to Qualified Institutional Buyers through Qualified Institutions Placement
26thAGM 13.08.2021 at 2.30 p.m.	Video Conferencing / Other Audio Video Visual Means (VC/OAVM)	i) Increase in borrowing powers. ii) Raising of Funds by issue of bonds / debentures/securities on Private Placement basis. iii) Issue of Equity Shares to Qualified Institutional Buyers through Qualified Institutions Placement

25thAGM 11.07.2020 at 2.30 p.m.	Video Conferencing / Other Audio Video Visual Means (VC/OAVM)	i) Re-appointment of Ms. Rupa Devi Singh (DIN- 02191943) as an Independent Director ii) Increase in borrowing powers iii) Raising of Funds by issue of bonds / debentures/securities on Private Placement basis. iv) Issue of Equity Shares to Qualified Institutional Buyers through Qualified Institutions Placement
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Postal Ballot:

Details of resolutions passed through Postal Ballot:

During the financial year 2022-23, the Bank had obtained approval of shareholders for the appointment of Mr. Farokh Nariman Subedar (DIN:00028428) as an Independent Director w.e.f. October 15, 2022 by way of a Special resolution through a Postal Ballot. Postal Ballot Notice dated November 05, 2022 was sent to total 166,661 shareholders of the Bank, who had registered their e-mail IDs as on November 11, 2022, (the Cut-off date), seeking their approval.

The Bank had appointed M/s. S. N. Ananthasubramanian & Co, Practicing Company Secretaries as the scrutinizer for conducting the Postal Ballot process. Accordingly, the postal Ballot was conducted by the scrutinizer and a report was submitted to the Managing Director & CEO and to the Company Secretary.

Out of the 166,661 shareholders of the Bank to whom the Notice was sent, 557 members comprising of 16,65,23,943 equity shares representing 53.51% of the issued and paid-up share capital participated in the e-voting process. The breakup of the votes and the voting result were as given in the table below:

Resolution No. 1: Appointment of Mr. Farokh Nariman Subedar (DIN:00028428) as an Independent Director

Particulars	Number of Valid		Percentage %
	Voters (via e-voting)	Votes (via e-voting)	
Assent	517	16,65,14,269	99.9942
Dissent	40	9,674	0.0058
Total	557	16,65,23,943	100.0000

Accordingly, the Special Resolution as contained in the Item No. 1 of the Notice of Postal Ballot dated November 05, 2022 was declared as passed with requisite majority.

No Resolution is proposed to be passed through Postal Ballot in the notice of the proposed Twenty Eighth Annual General Meeting to be held on June 22, 2023.

GENERAL INFORMATION FOR SHAREHOLDERS

Financial Calendar - For each calendar quarter, the financial results are reviewed and taken on record by the Board within the prescribed timeline. The Audited Annual Accounts as at March 31 are approved by the Board, after view thereof by the Audit Committee of the Board.

The Annual General Meeting to consider such annual accounts is held within the prescribed timeline.

LIST OF ALL CREDIT RATINGS OBTAINED BY THE BANK

Refer the Directors' Report for all credit ratings obtained by the Bank.

DETAILS OF UTILISATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT AS SPECIFIED UNDER REGULATION 32(7A) OF SEBI (LODR) REGULATIONS, 2015

The Bank has not raised any fund through Preferential Allotment or Qualified Institutions Placement as specified under regulation 32 (7A) of the SEBI (LODR) Regulations, 2015, during the financial year ended March 31, 2023.

SHAREHOLDERS HOLDING 1% AND ABOVE SHARES IN THE BANK AS ON MARCH 31, 2023

Sr	Name	No. of Shares	% To Capital
1	AGA KHAN FUND FOR ECONOMIC DEVELOPMENT SA	43,750,052	14.0449
2	TATA MUTUAL FUND - TATA SMALL CAP FUND (All Scheme)	15,404,022	4.9451
3	HDFC SMALL CAP FUND	13,948,722	4.4779
4	DSP SMALL CAP FUND	13,158,269	4.2241
5	INDIA ADVANTAGE FUND S4 I	12,473,881	4.0044
6	FRANKLIN INDIA SMALLER COMPANIES FUND	10,449,095	3.3544
7	ICICI PRUDENTIAL SMALL CAP FUND (All Scheme)	10,297,782	3.3058
8	OMAN INDIA JOINT INVESTMENT FUND II	9,198,202	2.9529
9	STEINBERG INDIA EMERGING OPPORTUNITIES FUND LIMITED	9,000,000	2.8892
10	CANARA ROBECO MUTUAL FUND A/C CANARA ROBECO SMALL CAP FUND	7,112,169	2.2832
11	INVESCO INDIA MULTICAP FUND (All Scheme)	4,788,407	1.5372
12	MAX LIFE INSURANCE COMPANY LIMITED A/C - ULIF01311/02/08LIFEHIGHGR104 - HIGH GROWTH FUND	4,450,939	1.4289
13	UTI SMALL CAP FUND (All Scheme)	3,556,016	1.1416
Total		157,587,556	50.5896

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2023

Sr No	Number of Equity shares held	Number of Shareholders	% of Total Shareholders	Shares	% of Total Shares
1	1 to 500	160,946	87.4835	18,547,130	5.9541
2	501 to 1000	11,125	6.0471	8,760,498	2.8123
3	1001 to 2000	6,289	3.4185	9,217,176	2.9589
4	2001 to 3000	1,936	1.0523	4,887,419	1.5690
5	3001 to 4000	912	0.4957	3,248,549	1.0429
6	4001 to 5000	696	0.3783	3,256,043	1.0453
7	5001 to 10000	1,098	0.5968	8,003,991	2.5695
8	10001 and above	971	0.5278	255,580,927	82.0480
TOTAL :		183,973	100	311,501,733	100

Out of the above 183,973 folios, 169,595 folios comprise 307,709,630 shares forming 98.78% of the issued and paid up share capital, are in dematerialized mode. Another 14,378 folios comprise 3,792,103 shares constituting 1.22% of the issued and paid up share capital, are held in physical mode. Promoters' entire shareholding is in dematerialized mode.

DCB Bank Limited-Shareholding Pattern as on March 31, 2023

Table I - Summary Statement holding of specified securities

Category of shareholder	Nos of share holders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held as a % of total no. of shares (Calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding Warrants	No. of Shares Outstanding convertible securities (as a percentage of diluted share capital)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares	Number of Shares pledged or otherwise encumbered	Number of equity shares held in dematerialized form		
						Class eg: X	Class eg: y	Total								
															No of Voting (XIV) Rights	Total as a % of securities (A+B+C)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII)As a % of (A+B+C2)	(IX)	(X)	(XI)	(XI) (a)	(XI) = (VII)+(X) As a % of (A+B+C2)	(XII)	(XIII)	(XIV)	
(A)	Promoter & Promoter Group	2	46200234	0	0	46200234	14.8315	46200234	0	0	0	14.8315	0	0	46200234	
(B)	Public	180308	265301499	0	0	265301499	85.1685	263207737	0	0	0	85.1685	0	NA	261509396	
(C)	Non Promoter - Non Public				0			0	0	0	0		0	NA		
(C1)	Shares Underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	NA	0	
(C2)	Shares Held By Employee Trust	0	0	0	0	0	0	0	0	0	0	0	0	NA	0	
Total	180310	311501733	0	0	0	311501733	100	309407971	0	0	0	100	0	0	307709630	

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Sr. Category & Name of the shareholders	Share holder Type i.e. promoter OR promoter group entity (except promoter)	PAN	Nos. of share of fully paid up equity held by promoters	No. of Partly paid up equity shares held	No. of Depository Receipts held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of Total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convert-ible Warrants	No. of Shares Underlying convertible securities and No. of Warrants diluted share capital)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares	Number of Shares pledged or otherwise encumbered	Number of equity shares held in dematerialized form
									No of Voting (XIV) Rights		Total as a % of Total rights (A+B+C)						
									Class eg. X	Total eg. y							
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)	(X)	(XI)	(XII)	(XIII)	(XIV)				
1 Indian																	
(a) Individuals / Hindu Undivided Family			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Name (xyz.)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(b) Central Government / State Government(s)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Name (xyz.)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c) Financial Institutions / Banks			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Name (xyz.)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d) Any Other (Specify)			1	2450182	0	0	2450182	0	2450182	0	0	0	0	0	0	0	2450182
Bodies Corporate			1	2450182	0	0	2450182	0	2450182	0	0	0	0	0	0	0	2450182
Platinum Jubilee Investments Ltd.	Promoter Group		1	2450182	0	0	2450182	0	2450182	0	0	0	0	0	0	0	2450182
Sub Total (A)(1)			1	2450182	0	0	2450182	0	2450182	0	0	0	0	0.7866	0	0	2450182
2 Foreign																	
(a) Individuals (Non-Resident Individuals / Foreign Individuals)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Name (xyz.)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(b) Government			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Name (xyz.)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c) Institutions			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Name (xyz.)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d) Foreign Portfolio Investor			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Name (xyz.)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(e) Any Other (Specify)			1	43750052	0	0	43750052	0	43750052	0	0	0	0	0	0	0	43750052
Bodies Corporate			1	43750052	0	0	43750052	0	43750052	0	0	0	0	14.0449	0	0	43750052
Aga Khan Fund For Economic Development SA	Promoter		1	43750052	0	0	43750052	0	43750052	0	0	0	0	14.0449	0	0	43750052
Sub Total (A)(2)			1	43750052	0	0	43750052	0	43750052	0	0	0	0	14.0449	0	0	43750052
Total Shareholding Of Promoter And Promoter Group (A)= (A)(1)+(A)(2)			2	46200234	0	0	46200234	0	46200234	0	0	0	0	14.8315	0	0	46200234

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed f account, voting rights which are frozen etc.: NIL

B Table III - Statement showing shareholding pattern of the Public shareholder

Category & Name of the shareholders	PAN	Nos. of share holders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated (as per SCRR, 1957) As a % of (A + B + C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including warrants)	Total Shareholding, as a % assuming conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or encumbered otherwise	Number of equity shares held in dematerialized form	Sub-categorization of shares			
								No of Voting Rights					No. (a)	As a % of total Shares held (b)			No. (a)	As a % of total Shares held (b)	Sub-category (i)	Sub-category (ii)
								Class X	Class Y	Total										
1. Institutions (Domestic)																				
(a)	Mutual Funds	15	88257710	0	0	88257710	28.333	88257710	0	88257710	28.525	0	28.333	0	0	NA	88257710	0	0	0
	Tata Mutual Fund - Tata Small Cap Fund		15404022	0	0	15404022	4.945	15404022	0	15404022	4.979	0	4.945	0	0	NA	15404022	0	0	0
	HDFC Small Cap Fund		13948722	0	0	13948722	4.478	13948722	0	13948722	4.508	0	4.478	0	0	NA	13948722	0	0	0
	DSP Small Cap Fund		13158269	0	0	13158269	4.224	13158269	0	13158269	4.253	0	4.224	0	0	NA	13158269	0	0	0
	Franklin India Smaller Companies Fund		10449095	0	0	10449095	3.354	10449095	0	10449095	3.377	0	3.354	0	0	NA	10449095	0	0	0
	ICI Prudential Smallcap Fund		10297782	0	0	10297782	3.306	10297782	0	10297782	3.328	0	3.306	0	0	NA	10297782	0	0	0
	Canara Robeco Mutual Fund A/C		7112169	0	0	7112169	2.283	7112169	0	7112169	2.299	0	2.283	0	0	NA	7112169	0	0	0
	Canara Robeco Small Cap Fund		4788407	0	0	4788407	1.537	4788407	0	4788407	1.548	0	1.537	0	0	NA	4788407	0	0	0
	Invesco India Multicap Fund		3556016	0	0	3556016	1.142	3556016	0	3556016	1.149	0	1.142	0	0	NA	3556016	0	0	0
	UTI - Banking And Financial Services Fund		0	0	0	0	0	0	0	0	0	0	0	0	0	NA	0	0	0	0
(b)	Venture Capital Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	0	0	0	0
(c)	Alternate Investment Funds	11	28600449	0	0	28600449	9.182	28600449	0	28600449	9.244	0	9.182	0	0	NA	28600449	0	0	0
	India Advantage Fund S4 I		12473881	0	0	12473881	4.004	12473881	0	12473881	4.032	0	4.004	0	0	NA	12473881	0	0	0
	Oman India Joint Investment Fund II		9198202	0	0	9198202	2.953	9198202	0	9198202	2.973	0	2.953	0	0	NA	9198202	0	0	0
(d)	Banks	1	13	0	0	13	0	13	0	13	0	0	0	0	0	NA	13	0	0	0
(e)	Insurance Companies	3	7386727	0	0	7386727	2.371	7386727	0	7386727	2.387	0	2.371	0	0	NA	7386727	0	0	0

Category & Name of the shareholders	PAN	Nos. of share holders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated (as per SCRR, 1957) As a % of (A + B + C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including warrants)	Total Shareholding, as a % of conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered	Number of equity shares held in dematerialized form	Sub-categorization of shares				
								No of Voting Rights		Total			No. (a)	As a % of total Shares held (b)			No. (a)	As a % of total Shares held (b)	Shareholding (No. of shares) under	Sub-category (i)	Sub-category (ii)
								Class X	Class Y												
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII)	(IX)		(X)	(XI)	(XII)	(XIII)	(XIV)	(XV)						
Max Life Insurance Company Limited A/C - UIR0131/02/08 IIRenignr04 - High Growth Fund		1	4450939	0	0	4450939	1.429	4450939	1.439	1,429	0	NA	NA	4450939	0	0	0	0			
(f) Provident / Pension Funds		0	0	0	0	0	0	0	0	0	0	0	NA	NA	0	0	0	0			
(g) Asset Reconstruction Company		0	0	0	0	0	0	0	0	0	0	0	NA	NA	0	0	0	0			
(h) Sovereign Wealth Funds		0	0	0	0	0	0	0	0	0	0	0	NA	NA	0	0	0	0			
(i) NBFs registered with RBI		4	239037	0	0	239037	0.077	239037	0.077	0	0.077	0	NA	NA	239037	0	0	0			
(j) Other Financial Institutions		0	0	0	0	0	0	0	0	0	0	0	NA	NA	0	0	0	0			
(k) Any Other (Specify)		0	0	0	0	0	0	0	0	0	0	0	NA	NA	0	0	0	0			
Sub-Total (B)(I)		34	124483936	0	0	124483936	39.963	124483936	40.233	0	39.963	0	NA	NA	124483936	0	0	0			
2. Institutions (Foreign)																					
(a) Foreign Direct Investment		0	0	0	0	0	0	0	0	0	0	0	NA	NA	0	0	0	0			
(b) Foreign Venture Capital Investors		0	0	0	0	0	0	0	0	0	0	0	NA	NA	0	0	0	0			
(c) Sovereign Wealth Funds		0	0	0	0	0	0	0	0	0	0	0	NA	NA	0	0	0	0			
(d) Foreign Portfolio Investor (Category I)		101	34591132	0	0	34591132	11.105	34591132	11.180	0	11.105	0	NA	NA	34591132	0	0	0			
Steinberg India Emerging Opportunities Fund Limited			9000000	0	0	9000000	2.889	9000000	2.909	0	2.889	0	NA	NA	9000000	0	0	0			
(e) Foreign Portfolio Investor (Category II)		8	3645607	0	0	3645607	1.170	3645607	1.178	0	1.170	0	NA	NA	3645607	0	0	0			
(f) Overseas Depositories (holding DRs) (balancing figure)		0	0	0	0	0	0	0	0	0	0	0	NA	NA	0	0	0	0			
(g) Any Other (Specify)		0	0	0	0	0	0	0	0	0	0	0	NA	NA	0	0	0	0			

Category & Name of the shareholders	PAN	Nos. of share holders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held (IV)+(V)+(VI)	Shareholding % calculated (as per SCRR, 1957) As a % of (A + B + C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding	Total Shareholding, assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered	Number of equity shares held in dematerialized form	Sub-categorization of shares				
								No of Voting Rights		Total			No. (a)	As a % of total Shares held (b)			No. (a)	As a % of total Shares held (b)	Sub-category (i)	Sub-category (ii)	Sub-category (iii)
								Class X	Class Y												
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII)	(IX)			(X)	(XI)	(XII)	(XIII)	(XIV)	(XV)					
Sub-Total (B)(2)		109	38236739	0	0	38236739	12.275	38236739	0	38236739	12.358	0	12.275	0	NA	38236739	0	0	0		
3. Central Government/ State Government(s)																					
(a) Central Government / President of India		0	0	0	0	0	0	0	0	0	0	0	0	0	NA	0	0	0	0		
(b) State Government / Governor		0	0	0	0	0	0	0	0	0	0	0	0	0	NA	0	0	0	0		
(C) Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter		0	0	0	0	0	0	0	0	0	0	0	0	0	NA	0	0	0	0		
Sub-Total (B)(3)		0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0	0	0		
4. Non-Institutions																					
(a) Associate companies / Subsidiaries		0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0	0	0		
(b) Directors and their relatives (excluding Independent Directors and nominee Directors)		1	2550000	0	0	2550000	0.819	2550000	0	2550000	0.824	0	0.819	0	NA	NA	2550000	0	0		
(c) Key Managerial Personnel		1	1500	0	0	1500	0.001	1500	0	1500	0.001	0	0.001	0	NA	NA	1500	0	0		
(d) Relatives of promoters (other than immediate relatives of promoters disclosed under Promoter and Promoter Group category)		0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0	0	0		
(e) Trusts where any person belonging to Promoter and Promoter Group category is 'trustee', 'beneficiary' or 'author of the trust'		0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0	0	0		

Category & Name of the shareholders	PAN	Nos. of share holders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957) As a % of (A + B + C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including warrants) as a percentage of diluted share capital)	Total Shareholding, as a % of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered	Number of equity shares held in dematerialized form	Sub-categorization of shares		
								No of Voting Rights		Total			No. (a)	As a % of total Shares held (b)			No. (a)	As a % of total Shares held (b)	Shareholding (No. of shares) under
								Class X	Class Y										
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII)	(IX)			(X)	(XI)	(XII)	(XIII)	(XIV)	(XV)			
(f) Investor Education and Protection Fund (IEPF)		1	712495	0	0	712495	0.229	0	0	0	0	0.229	0	0	NA	NA	712495	0	0
(g) Resident Individuals holding nominal share capital up to ₹2 lakhs.		173217	54262963	0	0	54262963	17.420	54262963	0	54262963	0	17.420	0	0	NA	NA	50608844	0	0
(h) Resident Individuals holding nominal share capital in excess of ₹2 lakhs.		264	17642529	0	0	17642529	5.664	17642529	0	17642529	0	5.664	0	0	NA	NA	17642328	0	0
(i) Non Resident Indians (NRIs)		2974	4536243	0	0	4536243	1.456	4536243	0	4536243	0	1.456	0	0	NA	NA	4534042	0	0
(j) Foreign Nationals		0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0	0	0
(k) Foreign Companies		0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0	0	0
(l) Bodies Corporate		792	14516816	0	0	14516816	4.660	14516816	0	14516816	0	4.660	0	0	NA	NA	14407547	0	0
(m) Any Other (Specify)		2915	8358278	0	0	8358278	2.683	6977011	0	6977011	0	2.683	0	0	NA	NA	8331965	0	0
i. Body Corporate-Ltd Liability-Partnership-DR		43	3156625	0	0	3156625	1.013	3156625	0	3156625	0	1.013	0	0	NA	NA	3156625	0	0
ii. Clearing Member		31	63869	0	0	63869	0.021	63869	0	63869	0	0.021	0	0	NA	NA	63869	0	0
iii. Other Directors/Relative of Directors		6	2945	0	0	2945	0.001	2945	0	2945	0	0.001	0	0	NA	NA	2345	0	0
iv. Employee		278	1827482	0	0	1827482	0.587	1827482	0	1827482	0	0.587	0	0	NA	NA	1803014	0	0
v. Hindu Undivided Family		2550	1898963	0	0	1898963	0.610	1898963	0	1898963	0	0.610	0	0	NA	NA	1898728	0	0
vi. Trusts		6	25510	0	0	25510	0.008	25510	0	25510	0	0.008	0	0	NA	NA	24500	0	0
vii. Unclaimed Shares		1	1382884	0	0	1382884	0.444	1617	0	1617	0	0.444	0	0	NA	NA	1382884	0	0
Sub-Total (B)(4)		180165	102580824	0	0	102580824	32.931	100487062	0	100487062	0	32.931	0	0	NA	NA	98788721	0	0
Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)+(B)(4)		180308	265301499	0	0	265301499	85.169	263207737	0	263207737	0	85.169	0	0	NA	NA	261509396	0	0

Details of the Shareholders acting as persons in concert for Public

Sr.	Number of Shareholders	Name of the PAC	Number of Shares	Percentage of shareholding by PAC
	NIL	NA	NA	NA

Details of Shares which remain unclaimed for Public

Sr.	Number of Shareholders	Outstanding Shares held in Demat or unclaimed Suspense Account	Voting rights which are frozen	Disclosures of notes on shares which remain unclaimed for public
1	12667	1381267	1381267	The unclaimed shares which are lying in DCB Bank-Unclaimed Securities Suspense Account do not carry voting rights as per Regulation 39(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Clause 5A of the erstwhile Listing Agreement), the voting rights on such Unclaimed Securities shall remain frozen till the rightful owner of such shares claims the shares.

Note:

(1) PAN would not be displayed on website of Stock Exchange(s).

(2) The above format needs to be disclosed along with the name of following persons: Institutions/Non-Institutions holding more than 1% of total number of shares

(3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.

C Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

Sr. Category & Name of the shareholders	PAN	Nos. of share holders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of No. of shares held	Total nos. shares held	Shareholding as a % Total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (as a percentage of diluted share capital)	Number of Locked in shares	Number of Shares pledged or otherwise encumbered	Number of equity shares held in dematerialized form					
								No of Voting (XIV) Rights		Total as a % of Total Voting rights (A+ B+ C)	(IX)					(X)	(XI)	(XII)	(XIII)	(XIV)
								Class eg: X	Class eg: Y											
1 Custodian/DR Holder		0	0	0	0	0	0	0	0	0	0	NA	NA	0	0	0				
(a) Name of DR holder (if available)		0	0	0	0	0	0	0	0	0	0	NA	NA	0	0	0				
2 Employee Benefit Trust / Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweet Equity) Regulations, 2021		0	0	0	0	0	0	0	0	0	0	NA	NA	0	0	0				
(a) Name (if available)		0	0	0	0	0	0	0	0	0	0	NA	NA	0	0	0				
Total Non-Promoter- Non Public Shareholding (C)= (C)(1)+(C)(2)		0	0	0	0	0	0	0	0	0	0	NA	NA	0	0	0				
Total (A+B+C2)	180310	311501733	0	0	0	311501733	100	309407971	0	309407971	100	NA	NA	0	0	307709630				
Total (A+B+C)	180310	311501733	0	0	0	311501733	100	309407971	0	309407971	100	NA	NA	0	0	307709630				

Table V- Statement showing details of significant beneficial owners (SBOs)

Name	PAN	Passport No. in case of a foreign national	Nationality	Details of holding/ exercise of right of the SBO in the reporting company, whether direct or indirect:				Date of creation / acquisition of significant beneficial interest
				Shares	Voting rights	Rights on distributable dividend or any other distribution	Exercise of control of indirect	
Details of the significant beneficial owner (SBO)								
His Highness Karim Aga Khan		GBR505432167	United Kingdom	14.04	14.04	14.04		
Details of the registered owner								
Aga Khan Fund for Economic Development S.A.			Switzerland	14.04	14.04	14.04	Yes	Yes
								03.01.1996

Annexure B

Table VI- Statement showing Foreign Ownership Limits

Particular	Board approved Limits	Limits Utilized (%)
As on Shareholding date (as of 31-03-2023)	49	27.79
As on the end of previous 1st quarter (as of 31-12-2022)	49	27.95
As on the end of previous 2nd quarter (as of 30-09-2022)	49	28.16
As on the end of previous 3rd quarter (as of 30-06-2022)	49	28.00
As on the end of previous 4th quarter (as of 31-03-2022)	49	24.40

Notes:

- 1). "Approved limits (%)" means the limit approved by Board of Directors / Shareholders of the listed entity. In case the listed entity has no Board approved limit, provide details of sectoral / statutory cap prescribed by Government / Regulatory Authorities.
- 2). Details of Foreign ownership includes Foreign ownership / Investments as specified in Rule 2(s) of the foreign Exchange Management (Non-debt Instruments) Rule, 2019, made under Foreign Exchange Management Act, 1999.

OUTSTANDING WARRANTS / ADRS / GDRS / CONVERTIBLE INSTRUMENTS

None.

DATE OF THE BOARD MEETING AT WHICH THE FINANCIAL STATEMENTS AND THE QUARTERLY RESULTS WERE APPROVED

MAY 05, 2023

FINANCIAL YEAR

Starting on April 1 and ending on March 31 every year.

DIVIDEND PAYMENT DATE

Dividend as recommended by the Board of Directors, if approved at the AGM, shall be paid on or after July 4, 2023 to the eligible Shareholders.

COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

Risk is an integral part of the banking business and the Bank's aim is to maintain portfolio quality by making appropriate risk/reward trade-offs. Key risks that the Bank is exposed to are credit, concentration, market, country exposure, liquidity, operational and reputation risk. The Board of Directors of the Bank has oversight of all the risk assumed by the Bank and has delegated its power to manage risk to Risk Management Committee (RMC) of the Board. The Bank does not have direct exposure on any commodities. The Bank has exposure to borrowers which are secured against various commodities.

DATE OF BOOK CLOSURE/RECORD DATE

The Bank has fixed June 15, 2023 as the Record Date (Cut-off Date) for the purpose of ascertaining voting rights of the Members at the 28th AGM and for entitlement of Dividend, if approved by the Members.

DATE, TIME AND VENUE OF THE ANNUAL GENERAL MEETING (AGM)

The Twenty Eighty Annual General Meeting of the Bank will be held via Video Conferencing (VC) or Other Audio-Visual Means (OAVM) on Thursday, June 22, 2023 at 2.30 p.m. (IST).

RECEIPT OF PROXY FORMS

As there is no requirement of physical presence at the meeting, the requirement of appointment of proxy has been dispensed with. However, members may appoint representatives' u/s 112 and 113 of the Companies Act, 2013 for purpose of voting through remote e-voting or for voting and participation in the meeting.

DIVIDEND

Your Board is pleased to recommend a dividend of ₹1.25 per equity share of ₹10/- each in respect of this financial year ended March 31, 2023. Your Bank has a Dividend Distribution Policy as approved by the Board and is hosted on the website of the Bank at the link: https://www.dcbbank.com/pdfs/Dividend_Distribution_Policy.pdf

BRANCHES

The Bank has 427 branches and 396 ATM centers (both onsite and offsite) as at March 31, 2023.

CODE FOR PREVENTION OF INSIDER TRADING

The Bank has adopted a Code for the prevention of insider trading in the shares of the Bank known as "DCB Bank – Code of Conduct for Prohibition of Insider Trading". The Code, inter-alia, prohibits purchase / sale of shares of the Bank by employees while in possession of unpublished price sensitive information relating to the Bank.

DISCLOSURES

1. The Bank has not entered into any materially significant transaction during the year, which could have a potential conflict of interest between the Bank and its promoters, directors, management and/or their relatives, etc. other than the transactions carried out in the normal course of business.
2. During the last 3 years, there were no penalties or strictures imposed on the Bank by the Stock Exchange(s) and / or SEBI and/or any other statutory authorities on matters relating to capital market activities.
3. There are no relationships between the Directors of the Bank, inter-se.

The Bank hereby affirms that none of the Bank's personnel have been denied access to the ACB.

4. The Bank has a policy on Related Party Transactions and the same has been displayed on the bank's website at: <https://www.dccb.com/upload/pdf/Policy-on-Related-Party-Transactions-June-2022.pdf>
5. There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Bank's operations in future.
6. Total fees of ₹1.45 Crore was paid on an aggregate basis to the Joint Statutory Auditors during the year for all the services provided by them to the Bank.
7. A certificate dated May 5, 2023 from M/s. S. N. Ananthasubramanian & Co., Company Secretaries in Practice has been obtained certifying that none of the Directors on the Board of the Bank have been debarred or disqualified from being appointed or continuing as Directors of the Bank by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority. The same is attached to and forms part of this report.

8. The Bank has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013]. The details of complaints received and redressed during the financial year 2022-23 are as under:

a) number of complaints filed during the financial year:	8
b) number of complaints disposed of during the financial year:	7
c) number of complaints pending as on end of the financial year:	1

COMPLIANCE WITH MANDATORY REQUIREMENTS

The Bank has complied with the mandatory and most of the non- mandatory requirements under the Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

COMPLIANCE WITH DISCRETIONARY REQUIREMENTS AS STIPULATED UNDER PART E OF SCHEDULE II OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Bank has complied with the discretionary requirements as stated below:

1. THE BOARD

An office of the Chairman is maintained at the Bank's expense and reimbursement of expenses incurred by the Chairman in performance of his/ her duties is allowed.

2. MODIFIED OPINION(S) IN AUDIT REPORT

There are no audit qualifications in the Bank's financial statements or qualification or adverse remark by the Company Secretary in Practice in his Secretarial Audit Report for FY 2023 except an observation regarding appointment of Woman Director on Board of Directors of the Bank. The Bank wishes to continue in the regime of unqualified financial statements as well as Secretarial Audit Report.

3. SEPARATE POSTS OF CHAIRMAN AND MD & CHIEF EXECUTIVE OFFICER

The Bank already has separate posts for the Chairman and the MD & CEO.

4. REPORTING OF INTERNAL AUDITOR

The Chief Internal Auditor reports directly to the Audit Committee of the Board.

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

All the Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct as approved and adopted by the Board of Directors

LISTING ON STOCK EXCHANGES

In order to impart liquidity and convenience for trading, the Equity Shares and Tier II Bonds of the Bank are listed at the following Stock Exchanges. The annual fees for FY 2023 have been paid to all the Stock Exchanges where the securities are listed.

Sr. No.	Name & Address of the Stock Exchanges	Stock Code	ISIN
1.	Equity Shares on BSE Ltd. P. J. Towers, Dalal Street, Fort, Mumbai - 400 001	532772	INE503A01015
2.	Equity Shares on National Stock Exchange of India Ltd. (NSE) Exchange Plaza, 5th Floor, Bandra Kurla Complex, Bandra (East)	DCB BANK	INE503A01015
3	Tier II Bonds issued on March 28, 2023 have been listed on BSE and NSE under WDM segment	BSE - 974740 NSE - DCB33	INE503A08051

Names of Depositories in India for dematerialisation of Equity Shares and Tier II Bonds.

National Securities Depository Limited (NSDL)
Central Depository Services (India) Limited (CDSL)

The Bank's shares/bonds are traded compulsorily in dematerialized (Demat) mode. The dematerialized shares/bonds are transferable through the depository system. Transfer/transmission of Equity Shares in physical mode are processed by the Registrars and Share Transfer Agents viz. Link Intime India Private. Ltd., and approved by the Share Transfer Committee of the Bank. Link Intime India Private. Ltd. processes the requests of

shareholders within the stipulated time from the date of receipt thereof

Transfer of Underlying Equity Shares to the Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013 and the relevant provisions of the IEPF Authority Rules, the equity shares of the Bank, on which the dividend has not been claimed for seven consecutive years, are liable to be transferred by the Bank to the IEPF. Accordingly, the Bank has, transferred 712,495 underlying equity shares, to the IEPF till 31 March, 2023. The voting rights on the said 712,495 shares, shall remain frozen until the rightful owner claims the shares.

Amount of unclaimed dividend for FY 2016-17 as well as the underlying shares shall be transferred to IEPF in July 2024.

Guidelines to claim Unclaimed Dividends / Shares The detailed guidelines for claiming Unclaimed Dividends / Shares which have been transferred to the designated account of the IEPF Authority, in accordance with the said Rules, is available on the website of the Bank at : https://www.dcbbank.com/pdfs/DCB-Bank-FAQs-and-Procedure-of-claiming-shares-online-%20from-IEPF-Authority-through_07-04-2021.pdf

Details of Shares lying in Unclaimed Securities Suspense Account as on March 31, 2023:

Particulars	Number of Shareholders / Folios	Shares
Opening Balance as on April 1, 2022	12,771	1,405,167
Add: Transfer during the year 2022-23	0	0
Less: Claim received and shares transferred*	104	23,900
Less: Shares transferred to Investor Education Protection Fund	0	0
Closing Balance as on March 31, 2023**	12,667	1,381,267

*Number of shareholders who approached the Bank for the transfer of shares from the suspense account.

**The voting rights on the aforesaid shares shall remain frozen until the rightful owner claims the shares.

Guidelines to claim the shares from the Securities Suspense Account is available on the website of the Bank at: <https://www.dcbbank.com/for-shareholder/shares-transferred-to-unclaimed-securities-suspense-account>

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

The Management Discussion and Analysis Report is included in the Directors' Report and forms a part of Corporate Governance.

MEANS OF COMMUNICATION TO SHAREHOLDERS

Financial results and all materially important communications are promptly shared with the Stock Exchanges. Bank's results are also published in newspapers pursuant to applicable regulatory provisions and hosted on its website at www.dcbbank.com. The quarterly and half yearly declaration of financial performance including summary of the significant events is being sent to every shareholder through e-mail apart from publishing the Bank's quarterly results in a national English daily newspaper (Business Standard), and a local Marathi daily newspaper (Pudhari) having a wide circulation in Mumbai. Also, the same have been hosted on the website of the Bank. The Bank also makes presentations to Institutional Investors and/or to the analysts and/or hosts the same on the website of the Bank and/or makes press releases from time to time. However, in view of various relaxations granted by SEBI on account of continuing problem of Covid-19, the information may be published only on websites of the Bank and Stock Exchanges.

INVESTOR HELPDESK

Share transfers, dividend payments, if any, and all other investor related activities are attended to and processed at the office of the Bank's Registrars and Transfer Agents (RTAs).

For lodgment of any documents or for any grievances/complaints, kindly contact the RTAs at the following address:

Registrars and Transfer Agents.

LINK INTIME INDIA PRIVATE LTD.

CIN: U67190MH1999PTC118368

C-101, 247 Park, L. B. S. Marg,

Vikhroli (West), Mumbai -400083.

Tel No: +912249186000 (Board Line)

022-49186270 (Investor Helpdesk)

Fax: +91 22 49186060

E-mail id: rnt.helpdesk@linkintime.co.in

Website: www.linkintime.co.in

Counter Timing: 10 a.m. to 4 p.m. Monday to Friday (except National Holidays)

Shareholders/Investors can also send their queries through-mail to the Bank at investorgrievance@dcbbank.com. This designated e-mail has also been displayed on the Bank's website www.dcbbank.com under the section 'Investor Relations'.

Details of Debenture Trustee:

IDBI Trusteeship Services Ltd.

Universal Insurance Building,

Ground Floor, Sir P.M. Road,

Fort, Mumbai - 400001

Website: www.idbitrustee.com

Tel: +91 22 4080 7000

Fax: +91 22 6631 1776

E-mail: itsl@idbitrustee.com

Name of the Compliance Officer of the Bank

Ms. Rubi Chaturvedi - Company Secretary

Telephone: 020 6684 8401 • Fax: 022 66589970

E-mail id: rubi.chaturvedi@dcbbank.com

ADDRESS OF THE REGISTERED & CORPORATE OFFICE OF THE BANK:

DCB Bank Limited

601 & 602, Peninsula Business Park, Tower A, 6th floor,

Senapati Bapat Marg, Lower Parel,

Mumbai - 400 013.

Telephone: 022-66187000 Fax: 022-66589970

Date of Incorporation: 31-05-1995

Registration No.11-89008 of 1995

CIN: L99999MH1995PLC089008

Website: www.dcbbank.com

E-mail ID: investorgrievance@dcbbank.com

DCB BANK SHARE PRICE & VOLUME OF SHARES TRADED

The monthly high and low quotation and volume of shares traded on the BSE Ltd. (BSE).

Month	High	Low	Sensex (High)
Apr-22	92.25	69.15	60,845.10
May-22	86.60	76.30	57,184.21
Jun-22	89.35	70.30	56,432.65
Jul-22	90.85	73.45	57,619.27
Aug-22	99.00	81.25	60,411.20
Sep-22	114.05	92.25	60,454.37
Oct-22	109.30	95.55	60,786.70
Nov-22	132.00	105.75	63,303.01
Dec-22	141.20	111.30	63,583.07
Jan-23	133.60	110.45	61,343.96
Feb-23	118.35	104.65	61,682.25
Mar-23	114.70	96.70	60,498.48



The monthly high and low quotation and volume of shares traded on the National Stock Exchange (NSE).

Month	High	Low	Nifty (High)
Apr-22	92.25	69.70	18,114.65
May-22	86.70	76.10	17,132.85
Jun-22	89.25	70.00	16,793.85
Jul-22	90.90	73.45	17,172.80
Aug-22	98.70	81.15	17,992.20
Sep-22	119.00	92.20	18,096.15
Oct-22	109.35	95.60	18,022.80
Nov-22	132.00	105.65	18,816.05
Dec-22	141.20	111.25	18,887.60
Jan-23	133.60	110.35	18,251.95
Feb-23	118.25	104.50	18,134.75
Mar-23	114.75	96.55	17,799.95



Declaration signed by the chief executive officer stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management.

To
The Members,
DCB Bank Limited
Mumbai

I, Murali M. Natrajan, Managing Director & CEO of the Bank confirm that for the Financial Year 2022-2023, all the Directors and Senior Management Personnel of the Bank have affirmed their adherence to the provisions of the Code of Conduct as approved and adopted by the Board of Directors.

Date: May 5, 2023

SD/-
Murali M. Natrajan
Managing Director & CEO

CORPORATE GOVERNANCE CERTIFICATE

[Pursuant to Regulation 34(3) and Schedule V Para E of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. Background

We have been approached by DCB Bank Limited ("the Bank") to examine the compliance with the conditions of Corporate Governance by the Bank, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations"), as amended from time to time, for the financial year ended on **31st March 2023**.

2. Management's Responsibility

The Compliance of conditions of Corporate Governance stipulated in the Listing Regulations is the responsibility of the management of the Bank. The management shall devise adequate systems, internal controls and processes to monitor and ensure compliance of the same.

3. Our Responsibility

Our responsibility is limited to conduct an examination of the systems, internal controls and processes adopted by the Bank and implementation thereof to monitor and ensure with the conditions of Corporate Governance and report thereon.

4. Methodology

- 4.1. In order to conduct our examination, we were provided with the relevant documents and information including explanations, wherever required.
- 4.2. Our examination was conducted in a manner which provided us with a reasonable basis for evaluating the systems, internal controls and processes adopted by the Bank to monitor and ensure compliance with the conditions of Corporate Governance and to certify thereon.

5. Opinion

Based on our examination as aforesaid, the information, explanations and representations provided by the management and subject to the observation reported as under, we certify that, the Bank has complied with the conditions of the Corporate Governance stipulated in the Listing Regulations, for the Financial Year ended **31st March 2023**.

*Ms Rupa Devi Singh, Independent Director retired on 21st January 2023 and the Bank did not have a woman Independent Director as on 31st March 2023. The Bank has appointed Ms. Lakshmi Chandrasekaran as a Woman Independent Director on 14th April 2023.

6. Disclaimer

- 6.1. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.
- 6.2. This report 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. N. ANANTHASUBRAMANIAN & Co.

Company Secretaries

ICSI Unique Code: P1991MH040400

Peer Review Cert. No.: 606/2019

05th May, 2023 | Thane

S. N. Ananthasubramanian
Partner

FCS: 4206 | COP No.: 1774
UDIN: F004206D000283485

**Form No. MR- 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
DCB Bank Limited
CIN: L99999MH1995PLC089008
601& 602, Peninsula Business Park, Tower A,
Senapati Bapat Marg, Lower Parel,
Mumbai - 400013.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by DCB Bank Limited (hereinafter called “the Bank”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Bank’s books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Bank has, during the audit period covering the financial year ended on **31st March 2023**, complied with the statutory provisions listed hereunder and also that the Bank has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Bank for the financial year ended 31st March, 2023 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment Overseas Direct Investment and External Commercial Borrowings – **Not Applicable to the extent of Overseas Direct Investment and External Commercial Borrowings as there were no reportable events during the year under review;**
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – **Not Applicable as there was no reportable event;**
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – **Not Applicable as the Bank is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;**

- f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not applicable as the Bank has not delisted / proposes to delist its equity shares from any stock exchange during the financial year under review;**
 - g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not applicable as the Bank has not bought back / proposes to buy-back any of its securities during the financial year under review;**
 - h. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (SEBI Listing Regulations).
- vi. The Bank has identified and confirmed the following laws as being specifically applicable to the Company:
- a. The Banking Regulation Act, 1949 and Rules, Notifications, Circulars and Guidance issued by the Reserve Bank of India from time to time;
 - b. The Reserve Bank of India (RBI) Act, 1934;
 - c. Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002;
 - d. The Payment and Settlement Systems Act, 2007;
 - e. The Negotiable Instruments Act, 1881

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- (ii) Listing agreements entered into by the Bank with National Stock Exchange of India Limited and BSE Limited;

During the period under review the Bank has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except:

*Ms Rupa Devi Singh, Independent Director retired on 21st January 2023 and the Bank did not have a woman Independent Director as on 31st March 2023. The Bank has appointed Ms. Lakshmi Chandrasekaran as a Woman Independent Director on 14th April 2023.

We further report that: -

- (i) The Board of Directors of the Bank is duly constituted with proper balance of Executive Directors - Non-Executive Directors including Independent Directors and a Woman Director*. Changes in the Composition of the Board which took place during the year were carried out in compliance with the provisions of the Act.
- (ii) Adequate notice is given to all Directors of the schedule of the Board/Committee Meetings. Agenda and detailed notes on agenda were sent atleast seven days in advance before the meeting except where consent of Directors was received for circulation of the Notice, Agenda and notes on Agenda less than seven days before the meeting.
- (iii) There exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.
- (iv) All decisions of the Board and Committee meetings were carried with requisite majority.

We further report that based on (a) the review of the compliance mechanism established by the Bank (b) Compliance Certificate(s) issued by various officials authorized for the purpose, which were taken on record by Board of Directors at their Meeting(s), and (c) communication(s) received from Reserve Bank of India, we are of the opinion that the Bank

should continue its efforts to strengthen its systems and processes in the Bank to be commensurate with its size and operations so as to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. We further report that during the audit period:

We further report that during the audit period:

- The Bank has redeemed Debt Securities by exercising call option aggregating to Rs 450 crore (Rupees Four Hundred and Fifty crore) only during the financial year.
- The Members have at their 27th Annual General Meeting held on 22nd June, 2022 had approved the following by way of Special Resolution(s):
 - (i) For borrowing or raising of funds by issue of debt securities in domestic / foreign markets on Private Placement basis, pursuant to guidelines or circulars issued by RBI, of an amount not exceeding ₹ 500 Crore (Rupees Five Hundred Crore only) in aggregate by way of additional Tier I and /or Tier II capital, within the overall borrowing limits of the Bank, under sec 180(1)(c) of the Companies Act, 2013, for a period of one year, in one or more tranches and /or series.
 - (ii) Issue of equity shares to Qualified Institutional Buyers through Qualified Institutional Placement, for an amount not exceeding ₹ 500 Crore (Rupees Five Hundred Crore only), in aggregate in one or more tranches.
- The Bank has, issued and allotted, 9.35% Unsecured, Subordinated, Non-Convertible, Fully Paid-Up, Taxable, Redeemable, Basel III Compliant Tier II Bonds of face value of ₹1,00,00,000/- (Rupees One Crore Only) each, on a private placement basis, aggregating to ₹ 300 crores on 28th March 2023.
- The Bank has redeemed Debt Securities by exercising call option aggregating ₹ 236.60 Crores on 27th December, 2021.

This Report is to be read with our letter of even date which is annexed as Annexure – A and forms an integral part of this report.

For S. N. ANANTHASUBRAMANIAN & Co.

Company Secretaries

ICSI Unique Code: P1991MH040400

Peer Review Cert. No.: 606/2019

05th May, 2023 | Thane

S. N. Ananthasubramanian
Partner

FCS: 4206 | COP No.: 1774
UDIN: F004206E000257932

Annexure-A

To,
The Members,
DCB Bank Limited
CIN: L99999MH1995PLC089008
601 & 602, Peninsula Business Park, Tower A,
Senapati Bapat Marg, Lower Parel,
Mumbai – 400013

Our Secretarial Audit Report for the Financial Year ended 31st March, 2023, of even date, is to be read along with this letter.

Management's Responsibility.

1. It is the responsibility of the management of the Bank to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Bank with respect to secretarial compliances.
3. We have conducted the Audit as per the applicable Auditing Standards issued by the Institute of Company Secretaries of India.
4. We believe that audit evidence and information obtained from the Bank's management is adequate and appropriate for us to provide a basis for our opinion.
5. Wherever required, we have obtained reasonable assurance whether the statements prepared, documents or Records, in relation to Secretarial Audit, maintained by the Bank, are free from misstatement.
6. Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, etc.

Disclaimer

7. The Secretarial Audit Report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Bank.
8. We have not verified the correctness and appropriateness of financial records and books of accounts of the Bank.

For S. N. ANANTHASUBRAMANIAN & CO.

Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review No.: 606/2019

05th May, 2023 | Thane

S. N. Ananthasubramanian
Partner

FCS: 4206 I COP No: 1774
UDIN: F004206E000257932

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members

DCB Bank Limited

601 & 602, Peninsula Business Park,
6th floor, Tower A, Senapati Bapat Marg,
Lower Parel, Mumbai – 400013

We have examined the following documents:

- i) Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act');
- ii) Disclosure of concern or interests as required under Section 184 of the Act;
(hereinafter referred to as 'relevant documents')

as submitted by the Directors of **DCB Bank Limited** ('the Company') bearing **CIN: L99999MH1995PLC089008** and having its registered office at 601 & 602, Peninsula Business Park, 6th floor, Tower A, Senapati Bapat Marg, Lower Parel, Mumbai – 400013, to the Board of Directors of the Company ('the Board') for the **Financial Year 2022 – 2023 and Financial Year 2023 – 2024** and relevant registers, records, forms and returns maintained by the Company and as made available to us for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of SEBI (LODR) Regulations, 2015. We have considered non-disqualification to include non-debarment by Regulatory/ Statutory Authorities.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

Based on our examination as aforesaid and such other verifications carried out by us as deemed necessary and adequate (including Directors Identification Number (DIN) status at the portal www.mca.gov.in), in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, we hereby certify that none of the Directors on the Board of the Company, as listed hereunder for the Financial Year ending **31st March, 2023** have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.

Sr. No.	Name of Director	Director Identification Number (DIN)	Date of Appointment	Date of Cessation
1.	Mr. Murali Natrajan	00061194	29/04/2009	-
2.	Mr. Shaffiq Dharamshi	06925633	13/01/2015	12/01/2023
3.	Ms. Rupa Devi Singh	02191943	22/01/2015	21/01/2023
4.	Mr. Iqbal Khan	07870063	15/07/2017	-
5.	Mr. Ashok Kumar Barat	00492930	22/03/2018	21/03/2023
6.	Mr. Somasundaram Palamadai Ramaswamy	00356363	25/01/2020	-
7.	Mr. Aryn Jassani	02945319	25/01/2020	-
-	Mr. Somasundaram Palamadai Ramaswamy	00356363	25/01/2020	-
8.	Mr. Shabbir Merchant	07438419	25/01/2020	-
9.	Mr. Rafiq Somani	01351871	09/03/2020	-
10.	Mr. Tarun Balram	02445298	24/01/2022	-
11.	Mr. Thiyagarajan Kumar	00735914	10/02/2022	-
12.	Mr. Farokh Nariman Subedar	00028428	15/10/2022	-
13.	Ms. Lakshmi Chandrasekaran	00240466	14/04/2023	-

This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year ended 31st March, 2023.

For S. N. ANANTHASUBRAMANIAN & Co.

Company Secretaries

ICSI Unique Code: P1991MH040400

Peer Review Cert. No.: 606/2019

05th May, 2023 | Thane

S. N. Ananthasubramanian
Partner

FCS: 4206 | COP No.: 1774
UDIN: : F004206E000258053

INDEPENDENT AUDITOR'S REPORT

To the Members of DCB Bank Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of DCB Bank Limited ("the Bank"), which comprise the Balance sheet as at March 31, 2023, the Profit and Loss Account, the Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013, as amended ("the Act") 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, of the state of affairs of the Bank as at March 31, 2023, its profit, its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters	How our audit addressed the key audit matter
<p><u>Identification of Non-Performing Advances (“NPA”) and provisioning of advances including compliance with revised Income Recognition and Asset Classification norms (“IRAC”) issued by Reserve Bank of India (“RBI”) and clarifications issued thereon</u></p> <p>Advances constitute a significant portion of the Bank’s assets and the quality of these advances is measured in terms of ratio of NPAs to the gross advances of the Bank. The Bank’s net advances constitute 66% of the total assets and the gross NPA ratio of the Bank is 3.19% as at March 31, 2023.</p> <p>RBI has issued IRAC. These guidelines prescribe the prudential norms for identification and classification of NPAs and the minimum provision required for such assets.</p> <p>The Bank is also required to apply its judgement to determine the identification and provision required against NPAs by applying quantitative as well as qualitative factors. The provisioning for identified NPAs is estimated based on ageing and classification of NPAs, recovery estimates, value of security and other qualitative factors and is subject to the minimum provisioning norms specified by RBI.</p> <p>Additionally, the Bank makes provisions on exposures that are not classified as NPAs and identified advances or group advances that can potentially slip into NPA. These are classified as contingency provisions.</p> <p>Since the identification of NPAs and provisioning for advances require significant level of estimation/ judgement and given its significance to the overall audit due to stakeholder and regulatory focus, we have ascertained identification and provisioning for NPAs and advances as a key audit matter.</p>	
	<p>The audit procedures performed, among others, included:</p> <ul style="list-style-type: none"> • Read the Bank’s policies for NPA identification and provisioning and assessing compliance with the IRAC norms. • Understood the design and operating effectiveness of key controls (including application controls) around identification of non-performing accounts based on the extant guidelines on IRAC. • Performed substantive audit procedures covering the identification and provisioning of NPAs by the Bank. These procedures included: <ul style="list-style-type: none"> - Tested the exception reports generated from the application systems where the advances have been recorded. - Considered accounts reported by the Bank and other banks as Special Mention Accounts (“SMA”) in RBI’s central repository of information on large credits (CRILC) to identify stress and the early warning reports generated by the Bank to identify stressed accounts - Tested account statements and other related information of a sample of borrowers selected based on quantitative and qualitative risk factors. - Performed analytical procedures to identify possible cases of evergreening of loans and tested these on sample basis. - Performed inquiries with the credit and risk departments to ascertain if there were indicators of stress or an occurrence of an event of default in a particular loan account or any product category which need to be considered as NPA. - Tested on sample basis, the calculation performed by the management for compliance with RBI regulations and internally laid down policies for provisioning. - Evaluated the governance process and review controls over NPA provision calculations and provision on accounts not classified as NPA. - Tested the arithmetical accuracy of computation of provision for advances.. • Assessed disclosure requirements for classification and provisioning of NPAs in accordance with RBI circulars

Key audit matters	How our audit addressed the key audit matter
Information Technology (“IT”) Systems and Controls	
<p>The reliability and security of IT systems plays a key role in the business operations preparation of the Bank's Financial Statements.</p> <p>The Bank's operational and financial processes are dependent on IT systems due to large volume of transactions that are processed daily and accordingly the IT infrastructure is critical for smooth functioning of the Bank's business operations as well as for timely and accurate financial reporting and accounting. The Bank has constituted an IT Strategy Committee at the Board level to oversee implementation of IT strategy.</p> <p>Due to the pervasive nature and complexity of the IT environment we have ascertained IT systems and controls as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting. • Tested IT General Controls (logical access, change management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. • Tested the Bank's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to the audit. • Tested compensating controls and performed alternate procedures, where necessary. • Understood where relevant, changes made to the IT landscape during the audit period and tested those changes.

Information Other than the Financial Statements and Auditor's Report Thereon

The Bank's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report and the pillar 3 disclosure (but does not include the financial statements and our auditor's reports thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report and pillar 3 disclosure, if we conclude that there is a material misstatement therein, we are required to communicate the matter to Those Charged with Governance.

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

The Bank's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, cash flows of the Bank in accordance with provisions of Section 29 of the Banking Regulation Act, 1949, the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 in so far as they apply to the Bank and guidelines and directions issued by Reserve Bank of India (“RBI”) from time to time.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and

prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 read with Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
2. As required by sub section (3) of section 30 of the Banking Regulation Act, 1949 and communication received by the Bank from RBI, we report that:
 - a. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
 - b. The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
 - c. The financial accounting systems of the Bank are centralized and therefore, accounting returns for the purpose of preparing financial statements are not required to be submitted by its branches. We have visited 30 branches for the purpose of our walkthrough of processes and test of controls at branches by inspection of documents obtained from branches
3. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Profit and Loss Account, the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent they are not inconsistent with the accounting policies prescribed by RBI;
 - e. In our opinion, there are no material financial transactions or matters that have an adverse effect on the functioning of the Bank;
 - f. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
 - g. With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report;
 - h. In our opinion, the entity being a banking company, the remuneration to the managing director during the year ended March 31, 2023 has been paid by the Bank in accordance with the provisions of Section 35B (1) of the Banking Regulation Act, 1949;

- i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Bank has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 15 to the financial statements;
 - ii. The Bank did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank
 - iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 13.6 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 13.6 to the financial statements, no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.
 - vi. As stated in note 13.5 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
 - vii. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Firm Registration no.: 101049W/E300004

per Sarvesh Warty

Partner

Membership No.: 121411

UDIN: 23121411BGWEGA1386

Place: Mumbai

Date: May 05, 2023

For SUNDARAM & SRINIVASAN

Chartered Accountants

Firm Registration no.: 004207S

S Ramkumar

Partner

Membership No.: 238820

UDIN: 23238820BGYDIJ3861

Place: Mumbai

Date: May 05, 2023

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF DCB BANK LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of DCB Bank Limited ("the Bank") as of March 31, 2023 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Bank's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls with reference to these financial statements.

Meaning of Internal Financial Controls With Reference to these Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

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

degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Bank has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants
Firm Registration no.: 101049W/E300004

per Sarvesh Warty

Partner
Membership No.: 121411
UDIN: 23121411BGWEGA1386

Place: Mumbai
Date: May 05, 2023

For SUNDARAM & SRINIVASAN

Chartered Accountants
Firm Registration no.: 004207S

S Ramkumar

Partner
Membership No.: 238820
UDIN: 23238820BGYDIJ3861

Place: Mumbai
Date: May 05, 2023

BALANCE SHEET AS AT MARCH 31, 2023

	Schedule	As on 31.03.2023 (₹ in 000's)	As on 31.03.2022 (₹ in 000's)
CAPITAL & LIABILITIES			
Capital	1	31,15,017	31,09,765
Employee Stock Options (Grants outstanding net of deferred cost)		30,790	13,151
Reserves and Surplus	2	4,25,15,328	3,73,65,327
Capital and Reserves		4,56,61,135	4,04,88,243
Deposits	3	41,23,89,076	34,69,16,866
Borrowings	4	4,11,81,200	4,08,18,396
Other Liabilities and Provisions	5	2,44,27,281	1,97,02,109
TOTAL CAPITAL & LIABILITIES		52,36,58,692	44,79,25,614
ASSETS			
Cash and Balances with Reserve Bank of India	6	2,03,06,041	3,10,75,007
Balances with Banks and Money at Call and Short Notice	7	33,78,201	98,32,597
Investments	8	12,58,24,569	9,05,06,537
Advances	9	34,38,07,416	29,09,57,812
Fixed Assets	10	82,62,680	66,11,838
Other Assets	11	2,20,79,785	1,89,41,823
TOTAL ASSETS		52,36,58,692	44,79,25,614
Contingent Liabilities	12	5,09,76,509	5,06,20,979
Bills for Collection		53,41,555	55,46,339
Significant Accounting Policies	17		
Notes to Accounts	18		

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

The Balance Sheet has been prepared in conformity with Form 'A' of the Third Schedule to the Banking Regulation Act, 1949.

For and on behalf of the Board of Directors

Murali M. Natrajan
MD & CEO
DIN-00061194

Farokh Subedar
Chairman
DIN-00028428

Thiyagarajan Kumar
Director
DIN-00735914

Satish Gundewar
Chief Financial Officer

Rubi Chaturvedi
Company Secretary

As per our report of even date.

For **S. R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
Firm Registration Number: 101049W/E300004

Sarvesh Warty
Partner
Membership No. : 121411

Place : Mumbai
Date : May 05, 2023

For **SUNDARAM & SRINIVASAN**
Chartered Accountants
Firm Registration Number: 004207S

S Ramkumar
Partner
Membership No. : 238820

Place : Mumbai
Date : May 05, 2023

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2023

	Schedule	Year ended 31.03.2023 (₹ in 000's)	Year ended 31.03.2022 (₹ in 000's)
I. INCOME			
Interest Earned	13	4,20,02,710	3,51,27,650
Other Income	14	40,93,904	45,20,392
TOTAL INCOME		4,60,96,614	3,96,48,042
II. EXPENDITURE			
Interest Expended	15	2,48,32,658	2,15,52,576
Operating Expenses	16	1,33,96,619	1,01,25,643
Provisions and Contingencies	18 (12.1)	32,11,748	50,94,780
TOTAL EXPENDITURE		4,14,41,025	3,67,72,999
III. PROFIT / (LOSS)			
Net Profit for the Year		46,55,589	28,75,043
Balance Brought Forward		1,10,72,702	93,85,296
TOTAL PROFIT/(LOSS)		1,57,28,291	1,22,60,339
IV. APPROPRIATIONS			
Transfer to Statutory Reserve		11,63,897	7,18,761
Transfer to Special Reserve		2,24,199	3,06,500
Transfer to Capital Reserve		27,650	2,06,662
Transfer to / (from) Investment Reserve		(7,831)	15,990
Transfer to Investment Fluctuation Reserve		2,25,655	-
Transfer from Revaluation Reserve		(65,105)	(60,276)
Dividend Paid		3,11,029	-
Balance carried over to Balance sheet		1,38,48,797	1,10,72,702
TOTAL		1,57,28,291	1,22,60,339
Earnings per share	17 (17)		
(i) Basic (₹)	18 (11.2)	14.96	9.26
(ii) Diluted (₹)	18 (11.2)	14.79	9.19
Face Value per share (₹)		10.00	10.00
Significant Accounting Policies	17		
Notes to Accounts	18		

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

The Profit and Loss Account has been prepared in conformity with Form 'B' of the Third Schedule to the Banking Regulation Act, 1949.

For and on behalf of the Board of Directors

Murali M. Natrajan
MD & CEO
DIN-00061194

Farokh Subedar
Chairman
DIN-00028428

Thiyagarajan Kumar
Director
DIN-00735914

Satish Gundewar
Chief Financial Officer

Rubi Chaturvedi
Company Secretary

As per our report of even date.

For **S. R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
Firm Registration Number: 101049W/E300004

Sarvesh Warty
Partner
Membership No. : 121411

Place : Mumbai
Date : May 05, 2023

For **SUNDARAM & SRINIVASAN**
Chartered Accountants
Firm Registration Number: 004207S

S Ramkumar
Partner
Membership No. : 238820

Place : Mumbai
Date : May 05, 2023

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

	Year ended 31.03.2023 (₹ in 000's)	Year ended 31.03.2022 (₹ in 000's)
Cash Flow from Operating Activities		
Net Profit after tax for the year (Refer Profit and Loss Account)	46,55,589	28,75,043
Add: Provision for income tax (Refer Schedule 18 (12.1))	16,19,990	10,20,453
Net Profit before tax for the year	62,75,579	38,95,496
Adjustments for:		
Provisions for Advances	19,46,216	30,78,816
Provisions for Restructured Advances	(50,987)	1,71,898
Provision for Investments	14,076	67,856
Provision for Standard Assets*	(4,74,327)	8,64,521
Provision for Other Assets and Contingencies	1,21,107	12,380
Depreciation / Amortisation on Fixed Assets	7,70,110	6,37,140
Loss on Sale of Fixed Assets	7,699	2,282
Amortisation of Premium on Held-to-Maturity (HTM) Investments	7,53,802	6,27,745
Amortisation of Premium on Acquired Assets	8,590	3,504
ESOPs/CSARs Compensation	29,775	4,101
Cash Flow from Operating Activities before adjustments	94,01,640	93,65,739
Adjustments for:		
Increase/(Decrease) in Deposits	6,54,72,210	4,98,78,220
Increase/(Decrease) in Other Liabilities & Provisions	50,71,182	22,62,844
(Increase)/Decrease in Investments	(3,60,85,910)	(70,65,209)
(Increase)/Decrease in Advances	(5,47,53,423)	(3,68,40,060)
(Increase)/Decrease in Other Assets	(38,16,374)	2,64,696
Refund/(Payment) of direct taxes (Including Tax Deducted at Source)	(9,46,505)	(18,05,479)
Net Cash Flow from / (used in) Operating activities A	(1,56,57,180)	1,60,60,751
Cash Flow from / (used in) Investing activities		
Purchase of Fixed assets	(16,65,084)	(15,74,786)
Proceeds from sale of Fixed Assets	17,458	8,625
Net Cash Flow from / (used in) Investing activities B	(16,47,626)	(15,66,161)

	Year ended 31.03.2023 (₹ in 000's)	Year ended 31.03.2022 (₹ in 000's)
Cash Flow from / (used in) Financing Activities		
Proceeds from Issue of Capital (including ESOPs)	29,669	23,712
Issue of Subordinated Debt	30,00,000	-
Repayment of Subordinated Debt	(45,00,000)	(23,66,000)
Proceeds from Borrowings	2,53,92,569	2,37,49,883
Repayment of Borrowings	(2,35,29,765)	(2,53,88,001)
Dividend Paid	(3,11,029)	-
Net Cash Flow from / (used in) Financing activities C	81,444	(39,80,406)
Net Increase/ (Decrease) in Cash and Cash Equivalents A+B+C	(1,72,23,362)	1,05,14,184
Cash and cash equivalents at the beginning of the year	4,09,07,604	3,03,93,420
Cash and cash equivalents at the end of the year	2,36,84,242	4,09,07,604
Notes to the cash flow statement		
Cash and cash equivalent includes the following:		
Cash and balances with Reserve Bank of India (Refer Schedule 6)	2,03,06,041	3,10,75,007
Balances with Banks and Money at Call and Short notice (Refer Schedule 7)	33,78,201	98,32,597
Cash and Cash equivalent at the end of the year	2,36,84,242	4,09,07,604

*Includes provision for standard restructured accounts

For and on behalf of the Board of Directors

Murali M. Natrajan
MD & CEO
DIN-00061194

Farokh Subedar
Chairman
DIN-00028428

Thiyagarajan Kumar
Director
DIN-00735914

Satish Gundewar
Chief Financial Officer

Rubi Chaturvedi
Company Secretary

As per our report of even date.

For **S. R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
Firm Registration Number: 101049W/E300004

For **SUNDARAM & SRINIVASAN**
Chartered Accountants
Firm Registration Number: 004207S

Sarvesh Warty
Partner
Membership No. : 121411

S Ramkumar
Partner
Membership No. : 238820

Place : Mumbai
Date : May 05, 2023

Place : Mumbai
Date : May 05, 2023

SCHEDULE 1 - CAPITAL

	As on 31.03.2023 (₹ in 000's)	As on 31.03.2022 (₹ in 000's)
Authorised Capital		
500,000,000 (Previous year 500,000,000)	50,00,000	50,00,000
Equity Shares of ₹ 10/- each		
Issued, Subscribed and Paid up Capital*		
31,15,01,733 (as at March 31, 2022: 310,976,463)	31,15,017	31,09,765
Equity Shares of ₹ 10/- each		
TOTAL	31,15,017	31,09,765

* (During the year, 525,270 (Previous year: 440,350) equity shares have been issued against exercise of options purchased under the Employees' Stock Option Plan).

Refer Note 18 (11.3) (Employees' Stock Option Plan)

SCHEDULE 2 - RESERVES & SURPLUS

	As on 31.03.2023 (₹ in 000's)	As on 31.03.2022 (₹ in 000's)
I. Statutory Reserve		
Opening balance	70,41,382	63,22,621
Additions during the year	11,63,897	7,18,761
TOTAL(I)	82,05,279	70,41,382
II. Special Reserve		
Opening balance	15,15,989	12,09,489
Additions during the year	3,25,000	3,06,500
Deductions during the year	(1,00,801)	-
TOTAL(II)	17,40,188	15,15,989
III. Capital Reserve		
a) Revaluation Reserve		
Opening balance	22,53,342	23,13,618
Additions during the year	7,81,024	-
Deductions during the year (transferred to Balance in Profit & Loss Account)*	(65,105)	(60,276)
TOTAL (a)	29,69,261	22,53,342
b) Other Capital Reserve		
Opening balance	14,03,411	11,96,749
Additions during the year	27,650	2,06,662
Deductions during the year	-	-
TOTAL (b)	14,31,061	14,03,411
TOTAL (a + b) (III)	44,00,322	36,56,753

	As on 31.03.2023 (₹ in 000's)	As on 31.03.2022 (₹ in 000's)
IV. Securities Premium		
Opening balance	1,36,76,061	1,36,56,753
Additions during the year	24,417	19,308
Deductions during the year	-	-
TOTAL (IV)	1,37,00,478	1,36,76,061
V. Investment Reserve		
Opening balance	15,990	-
Additions during the year	-	15,990
Deductions during the year	(7,831)	-
TOTAL (V)	8,159	15,990
VI. Investment Fluctuation Reserve		
Opening balance	3,86,450	3,86,450
Additions during the year	2,25,655	-
Deductions during the year	-	-
TOTAL (VI)	6,12,105	3,86,450
VII. Balance in Profit and Loss Account	1,38,48,797	1,10,72,702
TOTAL (I to VII)	4,25,15,328	3,73,65,327

* Refer Note 18 (11.8) (Revaluation of Fixed Assets)

SCHEDULE 3 - DEPOSITS

	As on 31.03.2023 (₹ in 000's)	As on 31.03.2022 (₹ in 000's)
A I. Demand Deposits		
(i) From Banks	1,50,849	1,41,245
(ii) From Others	2,09,90,514	2,11,62,691
TOTAL(I)	2,11,41,363	2,13,03,936
II. Savings Bank Deposits	8,78,14,697	7,15,06,895
TOTAL(II)	8,78,14,697	7,15,06,895
III. Term Deposits		
(i) From Banks	4,08,40,612	3,39,73,087
(ii) From Others	26,25,92,404	22,01,32,948
TOTAL (III)	30,34,33,016	25,41,06,035
TOTAL (I,II and III)	41,23,89,076	34,69,16,866
B I. Deposits of branches in India	41,23,89,076	34,69,16,866
II. Deposits of branches outside India	-	-
TOTAL	41,23,89,076	34,69,16,866

SCHEDULE 4 - BORROWINGS

	As on 31.03.2023 (₹ in 000's)	As on 31.03.2022 (₹ in 000's)
I. Borrowings in India		
(i) Reserve Bank of India	10,00,000	10,00,000
(ii) Other Banks	2,50,000	5,50,000
(iii) Other Institutions and Agencies	3,69,31,200	3,47,68,396
(iv) Sub-Ordinated Debts	30,00,000	45,00,000
TOTAL (I)	4,11,81,200	4,08,18,396
II. Borrowings outside India	-	-
TOTAL (I & II)	4,11,81,200	4,08,18,396
Secured Borrowings included in I & II above	10,00,000	10,00,000

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

	As on 31.03.2023 (₹ in 000's)	As on 31.03.2022 (₹ in 000's)
I. Bills Payable	1,08,75,695	68,99,418
II. Inter Office Adjustments (Net)	-	-
III. Interest Accrued (Net of TDS recoverable)	46,16,047	38,21,848
IV. Others		
(i) Provision for Standard Assets *	35,97,411	40,73,586
(ii) Other Liabilities (including provisions)**	53,38,128	49,07,257
TOTAL	2,44,27,281	1,97,02,109

* includes provision for unhedged foreign currency exposure and provision on specific standard assets. Refer Schedule 18 (5.16) (Provisions on Standard Assets)

** includes provision for employee benefits. Refer Schedule 18 (11.1) (Employee Benefits)

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

	As on 31.03.2023 (₹ in 000's)	As on 31.03.2022 (₹ in 000's)
I. Cash in hand	18,46,304	19,17,985
(including foreign currency notes)		
II. Balances with Reserve Bank of India		
(i) In Current Accounts	1,69,59,737	1,38,57,022
(ii) In Other Accounts	15,00,000	1,53,00,000
TOTAL (II)	1,84,59,737	2,91,57,022
TOTAL (I & II)	2,03,06,041	3,10,75,007

SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE

	As on 31.03.2023 (₹ in 000's)	As on 31.03.2022 (₹ in 000's)
I. In India		
i. Balance with Banks		
(a) In Current Accounts*	52,235	73,163
(b) In Other Deposit Accounts	2,080	2,004
* includes funds in transit amounting to ₹ 0.24 crore (Previous Year : ₹ 2.30 crore)		
TOTAL	54,315	75,167
ii. Money at Call and Short Notice		
(a) With Banks	-	10,00,000
(b) With Other Institutions	-	14,63,523
TOTAL	-	24,63,523
TOTAL (I)	54,315	25,38,690
II. Outside India		
(i) In Current Accounts	5,72,013	4,49,086
(ii) In Other Deposit Accounts	27,51,873	68,44,821
(iii) Money at Call and Short Notice	-	-
TOTAL (II)	33,23,886	72,93,907
TOTAL (I & II)	33,78,201	98,32,597

SCHEDULE 8 - INVESTMENTS

	As on 31.03.2023 (₹ in 000's)	As on 31.03.2022 (₹ in 000's)
I. Investments in India		
Net Investments in :-		
(i) Government Securities	9,92,79,795	7,57,64,227
(ii) Other Approved Securities	-	-
(iii) Shares	2,25,994	2,25,994
(iv) Debentures and Bonds	12,36,733	12,46,767
(v) Subsidiaries and/or Joint Ventures	-	-
(vi) Other Investments :		
(a) Certificate of Deposits/Commercial Paper	-	4,96,200
(b) Units of Mutual Funds	53,762	31,000
(c) Pass Through Certificates	2,48,02,744	1,24,05,252
(d) Security Receipts*	2,25,541	3,37,097
TOTAL (I)	12,58,24,569	9,05,06,537
II. Investments in India		
(i) Gross Value	12,59,96,664	9,06,64,556
(ii) Provision for Depreciation	(1,72,095)	(1,58,019)
TOTAL (II)	12,58,24,569	9,05,06,537
III. Investments outside India		
(i) Government Securities	-	-
(ii) Subsidiaries and/or Joint Ventures	-	-
(iii) Other Investments	-	-
TOTAL (III)	-	-

* Refer Schedule 18 (5.10 and 5.11) (Details of financial assets (including written off accounts) sold to Securitisation/ Reconstruction Company for Asset Reconstruction and Details of investment in security receipts (SRs))

SCHEDULE 9 - ADVANCES

	As on 31.03.2023 (₹ in 000's)	As on 31.03.2022 (₹ in 000's)
I. (i) Bills Purchased and Discounted	65,57,084	47,19,719
(ii) Cash credits, Overdrafts and Loans repayable on demand	5,11,40,253	5,99,03,885
(iii) Term Loans	28,61,10,079	22,63,34,208
TOTAL (I)	34,38,07,416	29,09,57,812
II. (i) Secured by tangible assets*	32,53,33,046	27,79,62,720
(ii) Covered by Bank / Government Guarantees	-	-
(iii) Unsecured	1,84,74,370	1,29,95,092
*includes Advances against Book Debts		
TOTAL (II)	34,38,07,416	29,09,57,812
III (a) Advances in India		
(i) Priority Sectors	18,29,11,050	14,16,74,023
(ii) Public Sector	-	-
(iii) Banks	-	1,74,868
(iv) Others	16,08,96,366	14,91,08,921
TOTAL	34,38,07,416	29,09,57,812
III (b) Advances outside India	-	-
TOTAL (III)	34,38,07,416	29,09,57,812

Advances are net of provisions

SCHEDULE 10 - FIXED ASSETS

	As on 31.03.2023 (₹ in 000's)	As on 31.03.2022 (₹ in 000's)
I. Premises (Gross Block including Revaluation)		
(i) As at 31 March of the preceding year	56,56,538	52,25,608
(ii) Additions during the year	14,88,791	4,35,640
(iii) Deductions during the year	(5,725)	(4,710)
Total	71,39,604	56,56,538
Depreciation to date (including on Revaluation)		
(i) As at 31 March of the preceding year	9,60,400	8,27,548
(ii) Charge for the year	1,66,085	1,37,017
(iii) On deductions during the year	(3,388)	(4,165)
Total	11,23,097	9,60,400
Net Block	60,16,507	46,96,138
II. Other Fixed Assets (Gross Block including Furniture & Fixtures)*		
(i) As at 31 March of the preceding year	48,35,803	43,83,578
(ii) Additions during the year	10,49,580	6,10,921
(iii) Deductions during the year	(1,08,836)	(1,58,696)
Total	57,76,547	48,35,803
Depreciation to date		
(i) As at 31 March of the preceding year	34,48,329	30,96,540
(ii) Charge for the year	6,04,025	5,00,123
(iii) On deductions during the year	(86,016)	(1,48,334)
Total	39,66,338	34,48,329
Net Block	18,10,209	13,87,474
III. Capital Work In Progress	4,35,964	5,28,226
TOTAL (I+II+III)	82,62,680	66,11,838

* Refer Schedule 18 (7) (Other Fixed Assets (including furniture and fixtures))

SCHEDULE 11 - OTHER ASSETS

	As on 31.03.2023 (₹ in 000's)	As on 31.03.2022 (₹ in 000's)
I. Inter-Office Adjustments (Net)	-	-
II. Interest accrued	63,02,900	54,57,115
III. Tax paid in Advance/Tax deducted at Source (Net of provision)	7,12,710	6,86,165
IV. Stationery and Stamps	6,160	4,129
V. Non-Banking Assets acquired in satisfaction of claims (Net)	-	-
VI. Deferred Tax Assets (Net)*	15,99,884	22,99,913
VII. Others **	1,34,58,131	1,04,94,501
TOTAL	2,20,79,785	1,89,41,823

* Refer Schedule 18 (11.7) (Deferred Tax)

**Includes Priority Sector Shortfall Deposits of ₹ 1,188.40 crore (previous year ₹ 934.31 crore)

SCHEDULE 12 - CONTINGENT LIABILITIES

	As on 31.03.2023 (₹ in 000's)	As on 31.03.2022 (₹ in 000's)
I. Claims against the Bank not acknowledged as debts	3,47,889	3,54,946
II. Liability for partly paid investments	-	-
III. Liability on account of outstanding forward exchange and derivative contracts		
(a) Forward Contracts	3,44,16,308	1,77,82,740
(b) Interest Rate Swaps and Currency Swaps	-	-
(c) Foreign Currency Options	-	-
IV. Guarantees given on behalf of constituents		
(a) In India	1,24,40,018	1,10,69,197
(b) Outside India	7,03,062	7,07,795
V. Acceptances, Endorsements and other obligations	11,62,826	23,19,491
VI. Other items for which the Bank is contingently liable*	19,06,406	1,83,86,810
TOTAL	5,09,76,509	5,06,20,979

* includes

- i) ₹ 102 crore of lending under RBI Liquidity Adjustment Facility outstanding as at March 31, 2023 (Previous Year : ₹ 1,718 crore as on March 31, 2022) as per RBI circular FMRD.DIRD.10/14.03.002/2015-16.
- ii) ₹ 70.27 crore (Previous year: ₹ 61.54 crore) being amount transferred to DEA Fund Cell, RBI and outstanding, as per RBI circular DBOD.No.DEAF Cell.BC.114/30.01.002/2013-14.
- iii) ₹ 2.77 crore (Previous Year : ₹ 5.29 crore) includes capital commitment towards unpaid commitment towards new premises and undrawn amount of Alternative Investment Fund

SCHEDULE 13 - INTEREST EARNED

	Year Ended 31.03.2023 (₹ in 000's)	Year Ended 31.03.2022 (₹ in 000's)
I. Interest/Discount on Advances/Bills	3,39,48,224	2,83,17,721
II. Income on Investments	70,78,215	59,06,615
III. Interest on Balance with Reserve Bank of India and other Inter Bank Funds	6,34,989	5,71,516
IV. Others	3,41,282	3,31,798
TOTAL	4,20,02,710	3,51,27,650

SCHEDULE 14 - OTHER INCOME

	Year Ended 31.03.2023 (₹ in 000's)	Year Ended 31.03.2022 (₹ in 000's)
I. Commission, Exchange and Brokerage	30,29,629	23,79,917
II. Profit/(Loss) on sale of Investments (Net)	1,09,088	8,08,515
III. Profit/(Loss) on revaluation of Investments (Net)	(14,076)	(67,856)
IV. Profit/(Loss) on sale of Land, Buildings and Other Assets (Net)	(7,699)	(2,282)
V. Profit/(Loss) on Exchange Transactions (Net)	2,81,244	2,84,614
VI. Income earned by way of Dividends, etc. from Subsidiaries, Companies and/or Joint Ventures abroad/in India	-	-
VII. Miscellaneous Income	6,95,718	11,17,484
TOTAL	40,93,904	45,20,392

SCHEDULE 15 - INTEREST EXPENDED

	Year Ended 31.03.2023 (₹ in 000's)	Year Ended 31.03.2022 (₹ in 000's)
I. Interest on Deposits	2,22,71,306	1,88,57,212
II. Interest on Reserve Bank of India/Inter-Bank Borrowings	3,66,577	6,62,128
III. Other Interest	21,94,775	20,33,236
TOTAL	2,48,32,658	2,15,52,576

SCHEDULE 16 - OPERATING EXPENSES

	Year Ended 31.03.2023 (₹ in 000's)	Year Ended 31.03.2022 (₹ in 000's)
I. Payments to and Provisions for Employees	69,28,957	53,91,355
II. Rent, Taxes and Lighting	12,32,640	9,77,862
III. Printing and Stationery	1,10,793	86,325
IV. Advertisement and Publicity	53,691	33,663
V. Depreciation on Bank's property	7,70,110	6,37,140
VI. Directors' Fees, Allowances and Expenses	15,487	13,492
VII. Auditors' Fees and Expenses	16,021	14,824
VIII. Law Charges	1,54,212	1,04,258
IX. Postages, Telegrams, Telephones, etc.	2,02,308	1,60,275
X. Repairs and Maintenance	4,04,051	2,96,223
XI. Insurance	4,21,958	3,73,587
XII. Other Expenditure*	30,86,391	20,36,639
TOTAL	1,33,96,619	1,01,25,643

* includes an amount of ₹ 8.85 crore (Previous year : ₹ 9.66 crore) being Corporate Social Responsibility Expenditure as per requirement of Section 135 of the Companies Act, 2013

(Refer Note 18 (13.2) (Corporate Social Responsibility))

SCHEDULE 17 – SIGNIFICANT ACCOUNTING POLICIES

1. BACKGROUND

DCB Bank Limited (“DCB” or “the Bank”), incorporated in Mumbai, India is a publicly held banking company engaged in providing banking and financial services and governed by the Banking Regulation Act, 1949 and the Companies Act, 2013.

2. BASIS OF PREPARATION

The financial statements have been prepared and presented under the historical cost convention and on the accrual basis of accounting unless otherwise stated, and comply with the Generally Accepted Accounting Principles in India (‘GAAP’), statutory requirements prescribed under the Banking Regulation Act, 1949, circulars and guidelines issued by the Reserve Bank of India (the “RBI”) from time to time and the Accounting Standards notified under Section 133 of the Companies Act 2013 read with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standard) Amendment Rules, 2016 as amended, in so far as they apply to banks and the current practices prevailing within the banking industry in India.

3. USE OF ESTIMATES

The preparation of the financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon the management’s best knowledge of current events and actions, actual results could differ from these estimates. Any revisions to the accounting estimates are recognised prospectively in the current and future periods.

4. INVESTMENTS

4.1 Classification:

The investment portfolio comprising approved securities (predominantly Government Securities) and other securities (Pass through Certificates, Shares, Debentures and Bonds, etc.) is classified at the time of acquisition in accordance with the RBI guidelines under three categories viz. ‘Held to Maturity’ (‘HTM’), ‘Available for Sale’ (‘AFS’) and ‘Held for Trading’ (‘HFT’). For the purposes of disclosure in the Balance Sheet, they are classified under six groups viz. Government Securities, Other Approved Securities, Shares, Debentures and Bonds, Subsidiaries and/or joint ventures and Other Investments.

The Bank follows ‘Settlement Date’ accounting for recording purchase and sale transactions..

4.2 Basis of Classification:

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

Investments which the Bank intends to hold till maturity are classified as HTM securities.

Investments which are not classified in the above categories are classified as AFS securities.

4.3 Transfer of Securities between Categories:

The transfer/shifting of securities between categories of investments is accounted as per the RBI guidelines.

4.4 Acquisition Cost:

Cost including brokerage, commission pertaining to investments, paid at the time of acquisition, is charged to the Profit and Loss Account.

Broken period interest is charged to the Profit and Loss Account.

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

4.5 Valuation:

Held for Trading and Available for Sale categories:

Investments classified under HFT and AFS are marked to market as per the RBI guidelines. These securities are valued scrip-wise and any resultant depreciation or appreciation is aggregated for each category. The net depreciation for each category within each group is provided for, whereas the net appreciation for each category is ignored. The book value of individual securities is not changed consequent to periodic valuation of investments.

Traded investments are valued based on the trades / quotes from the recognised stock exchanges, prices declared by Primary Dealers Association of India ('PDAI') jointly with Fixed Income Money Market and Derivatives Association ('FIMMDA')/Financial Benchmark India Private Limited ('FBIL'), periodically.

The market value of unquoted government securities which qualify for determining the Statutory Liquidity Ratio ('SLR') included in the AFS and HFT categories is computed as per the Yield-to-Maturity ('YTM') rates published by FIMMDA/FBIL.

The valuation of other unquoted fixed income securities (viz. State government securities, Other approved securities, Bonds and debentures, Pass through Certificates) wherever linked to the YTM rates, is computed with a mark-up (reflecting associated credit and liquidity risk) over the YTM rates for government securities with similar maturity, published by FIMMDA/FBIL. Unquoted equity shares are valued at the break-up value, if the latest Balance Sheet is available or at ₹ 1 as per the RBI guidelines. Units of mutual funds are valued at the latest repurchase price / net asset value declared by the mutual fund. Treasury bills, commercial papers and certificate of deposits, being discounted instruments, are valued at carrying cost.

Units of Alternate Investment Fund ('AIF') held under AFS category are marked to market based on the NAV provided by AIF based on the latest audited financial statements. In case the audited financials are not available for a period beyond 18 months, the investments are valued at ₹ 1 per AIF.

In the event provisions recognised on account of depreciation in the AFS or HFT categories are found to be in excess of the required amount in any year, such excess is recognised in the Profit and Loss Account and subsequently appropriated, from profit available for appropriation, if any, to Investment Reserve Account in accordance with the RBI guidelines after adjusting for income tax and appropriation to Statutory Reserve..

Held to Maturity:

These are carried at their acquisition cost and are not marked to market. Any premium on acquisition is amortised over the remaining maturity period of the security on a straight-line basis. Provision is recognised for diminution other than temporary in the value of such investments for each investment individually.

Non-performing investments are identified and provision is recognised as per the RBI guidelines.

4.6 Security Receipts (SR):

Where sale of stressed asset results in a consideration lower than the value of the stressed assets net of provisions carried there against, the shortfall is debited to Profit & Loss account. Where such sale results in consideration higher than the value of the stressed assets net of provisions carried there against, the excess is netted off against the cost of corresponding SRs to arrive at their Book Value.

SRs issued by Asset Reconstruction Companies ('ARC') are valued at Net Asset Value ('NAV') declared by the ARC except in respect of stressed assets which are sold on or after Apr 1, 2018 and the Bank holds more than 90% of SRs backed by its sold assets, the provision held against the Book Value of these SRs is higher of provision required in terms of NAV declared by the ARC and provisioning applicable to the underlying loans, assuming that the assets sold notionally continued in the books of the Bank.

4.7 Disposal of Investments:

Profit/Loss on sale of investment under the aforesaid three categories is recognised in the Profit and Loss Account. The profit on sale of investment in HTM category, net of taxes and transfer to Statutory Reserve, is appropriated to Capital Reserve.

4.8 Repo and reverse repo transactions:

Repo and reverse repo transactions are accounted for as secured borrowing/ lending transactions respectively. Borrowing cost on repo transactions is treated as interest expense and income on reverse repo transactions is treated as interest income.

4.9 Short Sale:

In accordance with the RBI guidelines, the Bank undertakes short sale transactions in Central Government dated securities. The short positions are reflected in 'Securities Short Sold ('SSS') A/c', specifically created for this purpose. Such short positions are categorised under HFT category and netted off from investments in the Balance Sheet. These positions are marked-to-market along with the other securities under HFT portfolio and the resultant mark-to-market gains/losses are accounted for as per the relevant RBI guidelines for valuation of investments discussed earlier.

5. ADVANCES

- 5.1 In pursuance of guidelines issued by the RBI, advances are classified as Standard, Sub-Standard, Doubtful and Loss Assets and are stated net of specific provisions made towards NPAs and floating provisions.
- 5.2 Advances are net of bills rediscounted, Inter-bank participation with risk, provisions for non-performing advances, floating provisions, unrealised fees and unrealised interest held in suspense account.
- 5.3 Credit facility/investment are classified as performing and non-performing asset as per applicable RBI guidelines.
- 5.4 In case of NPAs other than retail EMI loans, recoveries effected are first adjusted towards the principal amount. In case of retail EMI loans, recoveries effected are adjusted towards the EMI and within the EMI first towards the principal amount.
- 5.5 Provision for non-performing advances ('NPAs') comprising sub-standard, doubtful and loss assets is made in accordance with the RBI guidelines which prescribe minimum provision levels and encourage banks to make a higher provision based on sound commercial judgement. NPAs are identified by periodic appraisals of the loan portfolio by the management. In respect of identified NPAs in Retail portfolio, provision is recognised on the homogeneous retail loans and advances assessed at borrower level on the basis of ageing of loans in the non-performing category and in respect of identified NPAs in other cases, provision is recognised account by account. The provisioning done is at or higher than the minimum rate prescribed under the RBI guidelines. The non-performing assets are written-off in accordance with the Bank's policy.
- 5.6 In case of restructured/rescheduled assets, provision is made in accordance with the guidelines issued by the RBI as applicable, which require the diminution in the fair value of the assets to be provided in the Profit and Loss Account at the time of restructuring.
- 5.7 In addition to the above, the Bank, on a prudent basis, recognises provisions on advances or exposures which are performing assets as per the IRAC norms, but has reasons to believe on the basis of the extant environment impacting a specific exposure or any specific information, the possible deterioration of a specific advance or a group of advances or exposures or potential exposures. These provisions are recognised as per Board approved policy and are classified as Provision for Specific Standard Assets, included under Provision for Standard Assets and reported under Other Liabilities. These provisions are not reversed to the Profit and Loss Account but are transferred as provision on the same specific advance / exposure in case the asset slips into non-performing asset, except in case of full repayment of the exposure when such provision will be reversed and recognised in the Profit and Loss Account.

- 5.8** The Bank maintains general provision for Standard Assets, including credit exposures computed as per the current marked to market values of foreign exchange forward contracts, at levels stipulated by the RBI from time to time. These provisions on Standard Assets are included under Other Liabilities.
- 5.9** The Bank estimates the inherent risk of the unhedged foreign currency exposures of its borrowers as per the regulatory guidelines stipulated by the RBI from time to time and recognises incremental provisions on exposures to such entities as per methodology prescribed. These provisions are included in Provision for Standard Assets and reported under Other Liabilities.
- 5.10** The RBI guidelines further permit banks to create floating provisions on Advances up to levels as per a Board approved policy over and above the regulatory provisions required on standard assets. These floating provisions are netted from Advances. These provisions are not reversed by credit to the Profit and Loss Account without prior approvals of the Board and the RBI under specific circumstances.
- 5.11** The Bank enters into transactions for the sale or purchase of Priority Sector Lending Certificates (PSLCs). In the case of a sale transaction, the Bank sells the fulfilment of priority sector obligation and in the case of a purchase transaction the Bank buys the fulfilment of priority sector obligation through RBI trading platform. There is no transfer of risks or loan assets. The fee received for the sale of PSLCs is recorded as miscellaneous income and the fee paid for purchase of the PSLCs is recorded as other expenditure in Profit and Loss Account.

6. FIXED ASSETS

Premises and other fixed assets are stated at historical cost (or revalued amounts, as the case may be), less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefit / functioning capability from / of such assets. Profit on sale of immovable properties are transfer to the Capital Reserves after adjusting for income tax and appropriation to Statutory Reserve.

7. REVALUATION OF FIXED ASSETS

Portfolio of immovable properties is revalued periodically by an independent valuer to reflect current market valuation. All land and building owned by the Bank and used as branches or offices are grouped under "Office Premises" in the fixed assets category. Appreciation, if any, on revaluation is credited to Revaluation Reserve under Capital Reserves. Additional Depreciation on the revalued asset is charged to the Profit and Loss Account and appropriated from the Revaluation Reserves to Profit and Loss Account i.e. revenue reserves.

8. DEPRECIATION & AMORTISATION

Depreciation on fixed assets, including amortisation of software, is charged over the estimated useful life of the fixed assets on a straight-line basis at the rates and in the manner prescribed in Schedule II of the Companies Act, 2013, except as mentioned below. The useful life of an asset is the period over which an asset is expected to be available for use to the Bank.

- ♦ Computer: Desktop and Laptop – 3 years.
- ♦ Hardware and Servers – 5 years.
- ♦ Air conditioners – 9 years.
- ♦ Core Software for Bank Operations – 8 years.
- ♦ Application Software and System Development Expenditure – 3 years to 5 years.
- ♦ Improvements (Civil) to Leased Premises and Fixed Furniture in Leased Premises such as work-stations, etc. – over the contracted period of the lease or 5 years (Previous Year: 3 years) whichever is less.
- ♦ Vehicles – 19% p.a. over 5 years with 5% residual value.

- ♦ Cash safe and Safe Deposit Vaults – 10 years.

Assets purchased/sold during the year are depreciated on a pro-rata basis, based on the actual number of days the assets have been put to use.

9. IMPAIRMENT OF ASSETS

The carrying amount of assets is reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the asset over remaining useful life.

10. RECOGNITION OF INCOME AND EXPENDITURE

- 10.1** Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Bank and the revenue can be reliably measured.
- 10.2** Items of income and expenditure are accounted on accrual basis.
- 10.3** Interest income is recognised in the Profit and Loss Account on accrual basis as per Accounting Standard, except in the case of non-performing assets where it is recognised on receipt basis as per the RBI norms.
- 10.4** Interest income on investments in Pass Through Certificates (PTC) is recognised at the coupon rate.
- 10.5** Interest income on loans bought out through the direct assignment route is recognised at the effective interest rate i.e. after amortising premium, if any, on the bought out portfolio as per Guidelines on Securitised Transactions issued by the RBI.
- 10.6** Processing fees on loans are recognised as income on accrual basis, however processing overheads on loans are expensed at the inception of the loan.
- 10.7** Overdue rent on safe deposit lockers is accounted for when there is certainty of receipts.
- 10.8** Guarantee commission, annual safe deposit locker rent fees are recognised on a straight-line basis over the period of contract. Letters of credit ('LC') are generally issued for a shorter tenor, typically of 90 days. The commission on such LC is recognised when due.
- 10.9** Dividend income is recognised as income when the right to receive dividend is established..

11. FOREIGN CURRENCY TRANSACTIONS

11.1 Initial recognition:

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and foreign currency on the date of the transaction.

11.2 Conversion:

Foreign currency monetary items are reported using the closing rate notified by Foreign Exchange Dealers' Association of India ('FEDAI') at the Balance Sheet date and the resulting profit or loss is recognised in the Profit and Loss Account, as per the guidelines issued by the RBI.

11.3 Exchange differences:

Exchange difference arising on settlement of monetary items is recognised as income or as expense in the year in which it arises. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuations denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Foreign exchange forward contracts not intended for trading that are entered into to establish the amount of reporting currency required or available at the settlement date of transactions, which are outstanding at the Balance Sheet date are effectively valued at the closing spot rate. The premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract.

- 11.4** Outstanding forward exchange contracts are revalued at the Balance Sheet date at the rates notified by FEDAI and at interpolated rates for contracts of interim maturities. The resultant gain/loss on revaluation is recognised in the Profit and Loss Account in accordance with the RBI/FEDAI guidelines.
- 11.5** Contingent liabilities denominated in foreign currencies are disclosed in the Balance Sheet at the rates notified by FEDAI as at the Balance Sheet date.
- 11.6** Forward exchange contracts and other derivative contracts which have overdue receivables remaining unpaid over 90 days or more are classified as non-performing assets and provided for as per the extant master circular on Prudential Norms on Income Recognition, Asset Classification and Provisioning issued by the RBI

12. DERIVATIVE TRANSACTIONS

Valuation of Exchange Traded Interest Rate Futures is carried out on the basis of the daily settlement price of each contract provided by the exchange. Changes in the fair value of the Exchange Traded Interest Rate Futures are recognised in the Profit and Loss Account.

13. EMPLOYEE BENEFITS

13.1 Defined Benefit Plan

Provision in respect of future liability for payment of gratuity is made on the basis of actuarial valuation on projected unit credit method made at the end of the year. Gratuity is funded with the Gratuity Trust duly registered under the provisions of Income tax Act, 1961. Actuarial gains/losses are recognised immediately in the Profit and Loss Account and are not deferred.

13.2 Defined Contribution Scheme

Retirement benefits in the form of provident fund and national pension scheme 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 is no other obligation other than the contribution payable to the fund.

14. TAXES ON INCOME

- 14.1** Tax expense comprises current and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred Income Tax reflects the impact of current year timing differences between the taxable income and the accounting income for the year and reversal of timing differences of earlier years.
- 14.2** 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 taxes levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Bank has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

- 14.3** At each Balance Sheet date, the Bank re-assesses unrecognised deferred tax assets and recognises deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

15. ACCOUNTING FOR PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised when there is a present legal or statutory obligation as a result of past events leading to probable outflow of resources, where a reliable estimate can be made of the amount required to settle the obligation.

Contingent Liabilities are recognised only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Bank, or where there is a present obligation arising from a past event which is not recognised as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognised nor disclosed in the financial statements.

16. EMPLOYEE SHARE BASED PAYMENTS

Measurement and disclosure of employee share-based employment plans is done in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 / Guidance Note on Accounting for the Employee Share-based Payments issued by The Institute of Chartered Accountants ('ICAI') of India. The Bank measures compensation cost relating to employee stock options/cash settled stock appreciation rights using the fair value method. Deferred compensation expense is amortised over the vesting period.

17. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effect of dilutive potential equity shares.

18. SHARE ISSUE EXPENSES

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

19. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand and ATMs, balances with the Reserve Bank of India, balances with other banks and money at call and short notice (including effect of changes in exchange rates on cash and cash equivalents in foreign currency)..

20. LEASES

Leases where the Lessor effectively retains substantially all risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

21. SEGMENT REPORTING

As per the RBI guidelines on Segment Reporting, the Bank has classified its activity into Treasury Operations, Corporate/Wholesale Banking, Retail Banking and Other Banking Operations.

Treasury Operations includes all financial markets activities undertaken on behalf of the Bank's customers, proprietary trading, maintenance of reserve requirements and resource mobilisation from other banks and financial institutions.

Wholesale Banking includes lending, deposit taking and other services offered to corporate customers.

Retail Banking includes lending, deposit taking and other services offered to retail customers.

Other Banking Operations includes para banking activities like third party product distribution, merchant banking, etc.

SCHEDULE 18 - NOTES TO ACCOUNTS**1 REGULATORY CAPITAL****1.1 Composition of Regulatory Capital**

(₹ in crore)

Particulars	As per Basel III framework	
	As at March 31, 2023	As at March 31, 2022
i Common Equity Tier 1 capital (CET 1)	4,284.30	3,850.45
ii Additional Tier 1 capital	-	-
iii Tier 1 Capital (i + ii)	4,284.30	3,850.45
iv Tier 2 Capital	668.98	749.16
v Total Capital (Tier 1+Tier 2)	4,953.28	4,599.61
vi Total Risk Weighted Assets (RWAs)	28,221.32	24,312.82
vii CET 1 Ratio (%)	15.18%	15.84%
viii Tier 1 Ratio (%)	15.18%	15.84%
ix Tier 2 Ratio (%)	2.37%	3.08%
x Capital to Risk Weighted Assets Ratio (CRAR) (%)	17.55%	18.92%
xi Leverage Ratio (%)	7.83%	8.18%
xii Percentage of shareholding of Government of India	-	-
xiii Amount of paid-up equity capital raised-		
Share Capital:	0.53	0.44
Securities Premium:	2.44	1.93
xiv Amount of non-equity Tier 1 capital raised	-	-
xv Amount of Tier 2 capital raised	300.00	-

1.2 Draw down from Reserves

The Bank has drawn down ₹ 0.78 crore from Investment Reserve Account towards depreciation on investment in AFS and HFT categories in terms of RBI guidelines during the financial year 2022-23.

The Bank has not undertaken any draw down of reserves during the financial year 2021-22.

2 SUB-ORDINATED DEBT THROUGH PRIVATE PLACEMENT OF BONDS

During the year, the Bank has exercised the call option and redeemed subordinated debt of ₹ 450.00 crore, the details of which are set out below:

(₹ in crore)

Deemed Date of Allotment	Coupon Rate (% p.a.)	Tenure (in months)	Amount
November 17, 2017	9.85	120	300.00
January 12, 2018	9.85	120	150.00

During the year the Bank raised ₹ 300.00 crore of subordinated debt. The subordinated debts raised through private placement of bonds are Unsecured Redeemable Non-Convertible Basel III Compliant Subordinated Tier II bonds in the nature of Debenture to augment capital adequacy.

The details of total outstanding subordinated debt are given below:

(₹ in crore)

Deemed Date of Allotment	Coupon Rate (% p.a.)	Tenure (in months)	Equivalent Amount as on March 31, 2023	Equivalent Amount as on March 31, 2022
November 17, 2017	9.85	120	-	300.00
January 12, 2018	9.85	120	-	150.00
March 28, 2023	9.35	120	300.00	-
			300.00	450.00

3 INVESTMENTS

3.1 Composition of Investment Portfolio as at March 31, 2023

(₹ in crore)

	Investments in India					Investments outside India				Total Investments	
	Govern-ment Securi-ties	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others*	Total in-vestments in India	Govern-ment securi-ties (includ-ing local authorities)	Subsidiaries and/or joint ventures		Others
Held to Maturity											
Gross	9,439.14	-	-	100.00	-	-	9,539.14	-	-	-	9,539.14
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-
Net	9,439.14	-	-	100.00	-	-	9,539.14	-	-	-	9,539.14
Available for Sale											
Gross	473.79		22.60	25.02	-	2,524.06	3,045.47	-	-	-	3,045.47
Less: Provision for depreciation and NPI	-	-	-	1.35	-	15.85	1720	-	-	-	1720
Net	473.79	-	22.60	23.67	-	2,508.21	3,028.27	-	-	-	3,028.27
Held for Trading											
Gross	15.06	-	-	-	-	-	15.06	-	-	-	15.06
Less: Provision for depreciation and NPI	0.01	-	-	-	-	-	0.01	-	-	-	0.01
Net	15.05	-	-	-	-	-	15.05	-	-	-	15.05
Total Investments											
Gross	9,927.99	-	22.60	125.02	-	2,524.06	12,599.67	-	-	-	12,599.67
Less: Provision for non-performing investments	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation	0.01	-	-	1.35	-	15.85	1721	-	-	-	1721
Net	9,927.98	-	22.60	123.67	-	2,508.21	12,582.46	-	-	-	12,582.46

*Includes Certificate Of Deposits, Units of Mutual funds, Pass Through Certificates & Security Receipts

Composition of Investment Portfolio as at March 31, 2022

(₹ in crore)

	Investments in India						Investments outside India				Total Investments	
	Govern-ment Securi-ties	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others*	Total in-vestments in India	Govern-ment securi-ties (includ-ing local authorities)	Subsidiaries and/or joint ventures	Others		Total In-vestments outside India
Held to Maturity												
Gross	7,496.10	-	-	100.00	-	-	7,596.10	-	-	-	-	7,596.10
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	7,496.10	-	-	100.00	-	-	7,596.10	-	-	-	-	7,596.10
Available for Sale												
Gross	127.93	-	22.60	25.02	-	1,342.38	1,517.93	-	-	-	-	1,517.93
Less: Provision for depreciation and NPI	0.03	-	-	0.34	-	15.43	15.80	-	-	-	-	15.80
Net	127.90	-	22.60	24.68	-	1,326.95	1,502.13	-	-	-	-	1,502.13
Held for Trading												
Gross**	(47.58)	-	-	-	-	-	(47.58)	-	-	-	-	(47.58)
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	(47.58)	-	-	-	-	-	(47.58)	-	-	-	-	(47.58)
Total Investments												
Gross	7,576.45	-	22.60	125.02	-	1,342.38	9,066.45	-	-	-	-	9,066.45
Less: Provision for non-performing investments	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation	0.03	-	-	0.34	-	15.43	15.80	-	-	-	-	15.80
Net	7,576.42	-	22.60	124.68	-	1,326.95	9,050.65	-	-	-	-	9,050.65

*Includes Certificate Of Deposits, Units of Mutual funds, Pass Through Certificates & Security Receipts

**Short Sale transactions netted off

3.2 Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022
(i) Movement of provisions held towards depreciation on investments		
(a) Opening balance	15.8	18.69
(b) Add: Provisions made during the year	3.81	12.14
(c) Less: Write-off/ write-back of excess provisions during the year	2.4	15.03
(d) Closing balance	17.21	15.8
(ii) Movement of Investment Fluctuation Reserve (IFR)		
(a) Opening balance	38.64	38.64
(b) Add: Amount transferred during the year	22.57	-
(c) Less: Drawdown	-	-
(d) Closing balance	61.21	38.64
(iii) Closing balance in IFR as a percentage of closing balance of investment in AFS and HFT category	2.00%	2.55%

3.3 Sale and Transfers to / from HTM Category

During the years ended March 31, 2023 and March 31, 2022, the Bank has not sold and transferred securities to or from HTM category exceeding 5% of the book value of investment held in HTM category at the beginning of the year. The 5% threshold referred to above does not include one-time transfer of securities to/from HTM category with the approval of Board of Directors permitted to be undertaken by banks as per the extant RBI guidelines, sale of securities to the RBI under liquidity management operations of RBI like Open Market Operations (OMO) and the Government Securities Acquisition Programme (GSAP) and sale of securities or transfer to AFS / HFT consequent to the reduction of ceiling on SLR securities under HTM.

3.4 Non-SLR investment portfolio**(a) Non-performing non-SLR Investments**

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022
Opening Balance	-	-
Additions during the year	-	-
Reductions during the year	-	-
Closing Balance	-	-
Total provisions held	-	-

(b) Issuer composition of non-SLR investments

Balances as at March 31, 2023

(₹ in crore)

Sr. Issuer No.	Amount	Extent of Private Placement**	Extent of 'Below Investment Grade' Securities#	Extent of 'Unrated' Securities#	Extent of 'Unlisted' Securities**
1. PSUs	-	-	-	-	-
2. FIs	141.00	115.98	-	5.98	25.98
3. Banks	-	-	-	-	-
4. Private Corporates	12.00	12.00	-	10.00	12.00
5. Subsidiaries/ Joint Ventures	-	-	-	-	-
6. Others**	2,518.68	-	-	-	-
7. Provision held towards Depreciation	(17.20)	-	-	-	-
Total	2,654.48	127.98	-	15.98	37.98

*excludes investment in pass through certificates and security receipts.

**includes investments in pass through certificates and security receipts.

Amounts reported under these columns above are not mutually exclusive.

Balances as at March 31, 2022

(₹ in crore)

Sr. Issuer No.	Amount	Extent of Private Placement**	Extent of 'Below Investment Grade' Securities#	Extent of 'Unrated' Securities#	Extent of 'Unlisted' Securities**
1. PSUs	-	-	-	-	-
2. FIs	138.72	113.70	-	3.70	23.70
3. Banks	49.62	-	-	-	-
4. Private Corporates	12.00	12.00	-	10.00	12.00
5. Subsidiaries/ Joint Ventures	-	-	-	-	-
6. Others**	1,289.66	-	-	-	-
7. Provision held towards Depreciation	(15.77)	-	-	-	-
Total	1,474.23	125.70	-	13.70	35.70

*excludes investment in pass through certificates and security receipts.

**includes investments in pass through certificates and security receipts.

Amounts reported under these columns above are not mutually exclusive.

3.5 Repo Transactions

Financial Year 2022-23

(₹ in crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Balance as at March 31, 2023
Securities Sold under Repos *	100.00	338.79	103.78	100.00
(i) Government Securities	100.00	338.79	103.78	100.00
(ii) Corporate debt Securities	-	-	-	-
(iii) Any other Securities	-	-	-	-
Securities purchased under Reverse Repos *	-	2,490.04	462.23	-
(i) Government Securities	-	2,490.04	462.23	-
(ii) Corporate debt Securities	-	-	-	-
(iii) Any other Securities	-	-	-	-

* including securities sold and purchased under LAF and TREPS.

** amounts reported are based on lending/borrowing amount.

Financial Year 2021-22

(₹ in crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Balance as at March 31, 2022
Securities Sold under Repos *	100.00	247.85	103.02	100.00
(i) Government Securities	100.00	247.85	103.02	100.00
(ii) Corporate debt Securities	-	-	-	-
(iii) Any other Securities	-	-	-	-
Securities purchased under Reverse Repos *	397.00	2,609.35	1,489.38	1,616.35
(i) Government Securities	397.00	2,609.35	1,489.38	1,616.35
(ii) Corporate debt Securities	-	-	-	-
(iii) Any other Securities	-	-	-	-

* including securities sold and purchased under LAF and TREPS.

** amounts reported are based on lending/borrowing amount.

4 DERIVATIVES

4.1 Forward Rate Agreements / Interest Rate Swaps

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022
i. The notional principal of swap agreements	NIL	NIL
ii. Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	NIL	NIL
iii. Collateral required by the bank upon entering into swaps	NIL	NIL
iv. Concentration of credit risk arising from the swaps	NIL	NIL
v. The fair value of the swap book	NIL	NIL

4.2 Exchange Traded Interest Rate Derivatives

(₹ in crore)

Sr. No.	Particulars	March 31, 2023	March 31, 2022
i.	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)		
a)	6.54 G-Sec 2032	297.94	
b)	6.10 G-Sec 2031	266.17	817.61
c)	5.85 G-Sec 2030	-	297.04
d)	6.64 G-Sec 2035	-	73.72
ii.	Notional principal amount of exchange traded interest rate derivatives outstanding (instrument-wise)	NIL	NIL
iii.	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	NIL	NIL
iv.	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	NIL	NIL

4.3 Disclosures on risk exposure in derivatives:

a) Qualitative Disclosures

Management of Risk in Derivatives Trading

The Bank's market risk unit plays a key role in setting up of the limits and laying down of the risk assessment and monitoring methods. The policies of the Bank include setting limits upon the notional principal value of product specific gaps, maximum tenor, overall outstanding and the setting-up of counter party-wise, tenor-wise limits.

All limits are monitored on a daily basis by the Mid Office. Exposure reports are submitted to the Treasurer as well as the CRO and any limit excesses are brought to the notice of the management immediately for further action.

Policies for Hedging Risk

All transactions undertaken by the Bank for trading purposes are classified under the Trading Book. All other transactions are classified as a part of the Banking Book. The Banking Book includes transactions concluded for the purpose of providing structures to customers on a back-to-back basis. It also consists of transactions in the nature of hedges based on identification of supporting trades, with appropriate linkages done for matching amounts and tenor within the approved tolerance limits.

The accounting for all derivative trades is done for the notional amount on the trade date. The valuation of all outstanding trades is done category wise. The valuation for outstanding trades under the Trading portfolio is done on a daily basis and the net marked to market ('MTM') is accounted in the Profit and Loss Account. The valuation for outstanding trades under the hedged portfolio is done on a monthly basis and the residual MTM, if any, is accounted in the Profit and Loss Account on a monthly basis.

The MTM position on all outstanding trades of individual corporate customers is reported on a monthly basis to Credit Risk department for exposure monitoring.

Provisioning

The Bank conforms to the RBI guidelines with regard to provisioning requirements. Overdue receivables representing crystallised positive mark-to-market value of a derivative contract are treated as non-performing assets, if these remain unpaid for 90 days or more. Full provision is made for the entire amount of overdue and future receivables relating to positive marked to market value of non-performing derivative contracts.

b) Quantitative Disclosures

(₹ in crore)

Sr. No	Particulars	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
		March 31, 2023	March 31, 2023	March 31, 2022	March 31, 2022
1.	Derivatives (notional Principal Amount)				
	(a) For hedging	NIL	NIL	NIL	NIL
	(b) For trading	NIL	NIL	NIL	NIL
2.	Marked to Market position				
	(a) Asset (+)	NIL	NIL	NIL	NIL
	(b) Liability (-)	NIL	NIL	NIL	NIL
3.	Credit Exposure	NIL	NIL	NIL	NIL
4.	Likely impact of one percentage change in Interest Rate (100*PV01)				
	(a) On hedging derivatives	NIL	NIL	NIL	NIL
	(b) On trading derivatives	NIL	NIL	NIL	NIL
5.	Maximum and Minimum of 100*PV01 observed during the year				
	(a) On hedging				
	Maximum	NIL	NIL	NIL	NIL
	Minimum	NIL	NIL	NIL	NIL
	(b) On trading				
	Maximum	NIL	0.24	NIL	0.12
	Minimum	NIL	0.01	NIL	0.00

Notes:

- Foreign exchange forward contracts have not been included in the above disclosure.
- The notional principal amount of forward exchange contracts classified as Hedging and Trading amounted to ₹ 3,441.63 crore (Previous year: ₹ 1,778.27 crore).

4.4 Credit Default Swaps

The Bank has not transacted in credit default swaps during the year ended March 31, 2023 (Previous year: NIL).

5 ASSET QUALITY

5.1 Classification of advances and provisions held as of March 31, 2023

(₹ in crore)

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	28,561.42	671.23	615.28	3.42	1,289.93	29,851.35
Add: Additions during the year ¹					1,698.46	
Less: Reductions during the year*					1,865.55	
Closing balance	34,057.01	488.63	634.21	0.00	1,122.84	35,179.85
*Reductions in Gross NPAs due to:					1,865.55	
i) Upgradation					1,131.00	
ii) Recoveries (excluding recoveries from upgraded accounts) ²					572.51	
iii) Technical/ Prudential Write-offs					128.08	
iv) Write-offs other than those under (iii) above					33.96	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	469.53	196.53	395.03	3.42	594.98	1,064.51
Add: Fresh provisions made during the year					564.06	
Less: Excess provision reversed/ Write-off loans					530.00	
Closing balance of provisions held	409.54	175.33	453.71	0.00	629.04	1,038.58
Net NPAs						
Opening Balance		352.98	220.25	0.00	573.23	
Add: Fresh additions during the year ³					1,119.24	
Less: Reductions during the year					1,335.55	
Closing Balance		176.43	180.49	0.00	356.92	
Floating Provisions						
Opening Balance						121.72
Add: Additional provisions made during the year						15.16
Less: Amount drawn down during the year						0.00
Closing balance of floating provisions						136.88
Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts						492.46
Add: Technical/ Prudential write-offs during the year						128.08
Less: Recoveries/Sacrifice made from previously technical/ prudential written-off accounts during the year						16.15
Closing balance						604.39

1. Includes fresh NPAs during the year.

2. Includes recoveries in upgraded accounts of ₹ 43.71 crores.

3. Includes addition to NPAs net off provisions on such NPAs and additional provision on existing NPAs.

Classification of advances and provisions held as of March 31, 2022

(₹ in crore)

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	25,167.27	661.23	422.01	0.20	1,083.44	26,250.71
Add: Additions during the year ¹					1,771.91	
Less: Reductions during the year*					1,565.42	
Closing balance	28,561.42	671.23	615.28	3.42	1,289.93	29,851.35
*Reductions in Gross NPAs due to:					1,565.42	
i) Upgradation					946.05	
ii) Recoveries (excluding recoveries from upgraded accounts) ^{2,3}					530.92	
iii) Technical/ Prudential Write-offs					50.40	
iv) Write-offs other than those under (iii) above					38.05	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	370.86	148.60	231.69	0.20	380.49	751.35
Add: Fresh provisions made during the year					606.14	
Less: Excess provision reversed/ Write-off loans					391.65	
Closing balance of provisions held	469.53	196.53	395.03	3.42	594.98	1,064.51
Net NPAs						
Opening Balance		403.83	190.32	0.00	594.15	
Add: Fresh additions during the year ⁴					1,152.84	
Less: Reductions during the year					1,173.76	
Closing Balance		352.98	220.25	0.00	573.23	
Floating Provisions						
Opening Balance						108.80
Add: Additional provisions made during the year						12.92
Less: Amount drawn down during the year						0.00
Closing balance of floating provisions						121.72
Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts						494.65
Add: Technical/ Prudential write-offs during the year						50.40
Less: Recoveries/Sacrifice made from previously technical/ prudential written-off accounts during the year ⁵						52.59
Closing balance						492.46

1. Includes fresh NPAs during the year.

2. Includes recoveries of ₹ 38.77 crores from NPAs sold to asset reconstruction company.

3. Includes recoveries in upgraded accounts of ₹ 32.30 crores.

4. Includes addition to NPAs net off provisions on such NPAs and additional provision on existing NPAs.

5. Includes ₹ 41.78 crores pertaining to accounts sold to asset reconstruction company..

Assets quality Ratios

Particulars	March 31, 2023	March 31, 2022
Gross NPA to Gross Advances (%)	3.19%	4.32%
Net NPA to Net Advances (%)	1.04%	1.97%
Provision Coverage Ratio (%)	79.34%	67.84%

5.2 Divergence in the asset classification and provisioning

There was no divergence observed by the RBI for the FY 2021-22 and Bank is not in receipt of any communication from RBI in this regard for FY 2020-21.

5.3 Sector-wise Advances and Gross NPAs

Financial Year 2022-23

(₹ in crore)

Sr. No.	Sector	March 31, 2023		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A	Priority Sector			
1	Agriculture and allied activities	4,209.53	173.22	4.11%
2	Industry of which-	2,850.25	115.53	4.05%
	Constructions	1,226.51	22.67	1.85%
	Textiles	327.27	10.40	3.18%
3	Services of which-	5,811.46	257.87	4.44%
	Retail Trade	2,478.98	52.58	2.12%
	Wholesale Trade	989.89	36.59	3.70%
	Transport Operators	743.93	122.24	16.43%
4	Personal loans of which-	5,820.05	65.26	1.12%
	Housing Loans	3,652.04	61.35	1.68%
	Gold Loans	2,136.04	3.82	0.18%
	Sub-total (A) (1+2+3+4)	18,691.29	611.88	3.27%
B	Non Priority Sector			
1	Agriculture and allied activities	274.29	19.87	7.24%
2	Industry of which-	1,094.79	122.17	11.16%
	Constructions	279.12	58.49	20.96%
	Textiles	179.38	4.26	2.37%
3	Services of which-	7,804.20	269.25	3.45%
	Retail Trade	2,956.64	94.84	3.21%
	NBFC	1,844.56	1.86	0.10%
	Professional Services	798.61	10.31	1.29%
4	Personal loans	7,315.27	99.67	1.36%
	Housing Loans	4,798.94	52.38	1.09%
	Gold Loans	1,180.41	12.69	1.07%
	Sub-total (B) (1+2+3+4)	16,488.55	510.96	3.10%
	Total (A+B)	35,179.84	1,122.84	3.19%

Financial Year 2021-22

(₹ in crore)

Sr. No.	Sector	March 31, 2022		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A	Priority Sector			
1	Agriculture and allied activities	3,308.52	189.32	5.72%
2	Industry of which-	2,178.75	40.27	1.85%
	Constructions	754.65	9.58	1.27%
	Textiles	344.52	9.93	2.88%
3	Services of which-	5,660.67	211.91	3.74%
	Retail Trade	2,097.42	35.51	1.69%
	Wholesale Trade	1,124.14	28.65	2.55%
	Transport Operators	1,038.31	110.09	10.60%
4	Personal loans of which-	3,345.89	99.75	2.98%
	Housing Loans	3,322.20	98.58	2.97%
	Sub-total (A) (1+2+3+4)	14,493.83	541.25	3.73%
B	Non Priority Sector			
1	Agriculture and allied activities	518.24	12.04	2.32%
2	Industry of which-	1,672.25	118.73	7.10%
	Constructions	381.25	33.60	8.81%
	Textiles	213.26	8.31	3.90%
	Food Processing	207.64	18.42	8.87%
3	Services of which-	6,408.84	416.66	6.50%
	Retail Trade	2,362.68	149.07	6.31%
	NBFC	1,556.71	3.13	0.20%
4	Personal loans	6,758.19	201.25	2.98%
	Housing Loans	3,991.29	71.28	1.79%
	Gold Loans	1,886.13	85.64	4.54%
	Sub-total (B) (1+2+3+4)	15,357.52	748.68	4.88%
	Total (A+B)	29,851.35	1,289.93	4.32%

Classification into sectors as above has been done based on the Bank's internal norms which have been relied upon by the auditors.

5.4 RESTRUCTURED ACCOUNTS

Details of restructured accounts are given in the table below:

(₹ in crore)

	Agriculture and allied activities		Corporates (excluding MSME)		Micro, Small and Medium Enterprises (MSME)		Retail (excluding agriculture and MSME)		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Standard	Number of borrowers	27	51	5	3,149	3,916	4,160	4,440	7,341	8,412
	Gross Amount ¹	2.31	2.68	36.21	826.35	1,144.96	846.14	853.05	1,711.01	2,051.29
	Provision held	0.17	0.19	10.76	121.87	168.94	95.83	99.32	228.63	287.06
Sub-standard	Number of borrowers	2	2	-	525	785	125	63	652	850
	Gross Amount	0.02	0.28	-	142.02	128.52	16.67	12.71	158.71	141.51
	Provision held	0.00	0.04	-	50.37	40.06	3.36	2.32	53.73	42.42
Doubtful	Number of borrowers	2	3	-	681	288	150	384	833	675
	Gross Amount	1.28	1.44	-	124.40	72.49	25.10	57.58	150.78	131.51
	Provision held	0.74	0.91	-	94.64	49.39	17.19	44.22	112.57	94.52
Total	Number of borrowers	31	56	5	4,355	4,989	4,435	4,887	8,826	9,937
	Gross Amount¹	3.61	4.40	36.21	1,092.77	1,345.97	887.91	923.34	2,020.50	2,324.31
	Provision held	0.91	1.14	10.76	266.88	258.39	116.38	145.86	394.93	424.00

1. Excludes Interest accrued but not due of ₹ 67.17 crore (previous year: ₹ 104.31 crore).

Classification into sectors as above has been done on the Bank's internal norms which have been relied upon by auditors.

5.5 Disclosures on the scheme for MSME sector – restructuring of advances

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022
1. Total number of accounts restructured at the end of year*	3,149	3,916
2. Amount outstanding	826.35	1,144.96

*represents number of borrowers.

5.6 Disclosures on implementation of resolution plan as required under RBI circular dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets**Financial Year 2022-23**

(₹ in crore)

Particulars	Resolution Plan implemented	Resolution Plan not implemented
No. of borrower where timeline for implementation of resolution plan was before 31st March 2023	-	2
Fund based outstanding as on 31st March 2023	-	33.11
Additional provision held as per RBI circular of June 7, 2019	-	11.59

Financial Year 2021-22

(₹ in crore)

Particulars	Resolution Plan implemented	Resolution Plan not implemented
No. of borrower where timeline for implementation of resolution plan was before 31st March 2022	-	2
Fund based outstanding as on 31st March 2022	-	33.23
Additional provision held as per RBI circular of June 7, 2019	-	11.63

5.7 The Bank continues to monitor the developments/impact including those arising from COVID-19 pandemic.

Under the circumstances, as at March 31, 2023, on a prudent basis, the Bank holds a contingency provision of ₹ 52.12 crore towards possible impact of Covid-19 on standard restructured and stressed assets. As on March 31, 2023, in addition to the above, the Bank holds Floating Provision amounting to ₹ 136.88 crore, besides provisions for Standard Assets and specific Non-Performing Assets.

5.8 Disclosures on Resolution Framework for COVID 19 related Stress as per RBI circular DOR.No.BP.BC.3/21.04.048/2020-21 dated August 06, 2020 (Resolution Framework 1.0) and RBI circular DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 (Resolution Framework 2.0)

Financial Year 2022-23

(₹ in crore)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year ¹ (i.e. September 30, 2022) (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2023	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year ² (i.e. March 31, 2023)
Personal Loans	535.60	6.39	-	21.19	573.90
Corporate persons	34.01	-	-	4.70	29.31
Of which, MSMEs	-	-	-	-	-
Others	179.93	3.00	-	10.16	167.73
Total	749.54	9.39	-	36.05	770.94

1. Represents fund based outstanding as of September 30, 2022.

2. Represents fund based outstanding as of March 31, 2023.

Financial Year 2021-22

(₹ in crore)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year ^{1,2} (i.e. September 30, 2021) (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2022	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year ³ (i.e. March 31, 2022)
Personal Loans	574.39	2.43	-	17.89	556.51
Corporate persons	52.10	-	-	15.84	36.38
Of which, MSMEs	15.28	-	-	6.42	8.90
Others	190.27	0.91	-	3.84	186.76
Total	816.76	3.34	-	37.57	779.65

1. Includes cases where resolution plan implemented after September 30, 2021

2. Represents fund based outstanding as of September 30, 2021.

3. Represents fund based outstanding as of March 31, 2022.

5.9 Number of Frauds reported, amount involved in such frauds, quantum of provisions made during the year and quantum of unamortized provision debited from 'other reserves' as at the end of the year.

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Number of frauds reported during the year	22	54
(b) Amount involved in fraud	1.55	3.53
(c) Amount involved in fraud net of recoveries/ write-offs as at the end of the year	0.97	3.35
(d) Provisions made during the year	0.02	3.35
(e) Quantum of unamortised provision debited from 'other reserves' at the end of the year	NIL	NIL

5.10 Details of financial assets (including written off accounts) sold to Securitisation / Reconstruction Company for Asset Reconstruction

The Bank has sold certain assets to an asset reconstruction company (ARC) in terms of the guidelines issued by the RBI. The details of the assets sold are given in the table below:

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022
(i) No. of accounts	NIL	43
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC	NIL	43.99
(iii) Aggregate consideration	NIL	38.77
(iv) Additional consideration realised in respect of accounts transferred in earlier years	0.66	NIL
(v) Aggregate gain/(loss) over net book value	NIL	(5.22)

5.11 Details of investment in security receipts (SRs)

Details of investment in security receipts as at March 31, 2023 are set out below:

(₹ in crore)

Particulars	SRs issued within past 5 years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years ago
(i) Book value of SRs backed by NPAs sold by the bank as underlying	17.92	18.51	1.97
Provision held against (i)	1.89	18.51*	1.97
(ii) Book value of SRs backed by NPAs sold by other banks/ financial institutions/non-banking financial companies as underlying	-	-	-
Provision held against (ii)	-	-	-
Total (i + ii)	17.92	18.51	1.97

*Includes provision of ₹ 6.52 crore made on investment in SRs under Schedule 5 - Other Liabilities and Provisions

Details of investment in security receipts as at March 31, 2022 are set out below:

(₹ in crore)

Particulars	SRs issued within past 5 years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years ago
(i) Book value of SRs backed by NPAs sold by the bank as underlying	24.47	24.67	-
Provision held against (i)	3.44	24.67*	-
(ii) Book value of SRs backed by NPAs sold by other banks/ financial institutions/non-banking financial companies as underlying	-	-	-
Provision held against (ii)	-	-	-
Total (i + ii)	24.47	24.67	-

*includes provision of ₹ 12.68 crore made on investment in SRs under Schedule 5 – Other Liabilities and Provisions

5.12 Details of loans transferred / acquired under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021

- (i) The Bank has not transferred any non-performing assets (NPAs).
(ii) The Bank has not transferred any Special Mention Account (SMA) and loan not in default.
(iii) Details of loans not in default acquired through assignment are given below:

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022
(a) Aggregate amount of loans acquired ¹	1,030.31	421.89
(b) Weighted average residual maturity (in years)	5.51	4.81
(c) Weighted average holding period by originator (in years)	1.15	0.65
(d) Retention of beneficial economic interest by the originator	10% to 15%	10%
(e) Tangible security coverage (for secured loans) ²	100%	100%

1. Includes deals amounting to ₹ 425.21 crores (Previous year: ₹ NIL) which are disbursed for unsecured business loans and personal loans.

2. Tangible security of loans acquired during the year is more than 100% however the same is restricted to 100% coverage for the purpose of this disclosure.

The Loans acquired are not rated as these are non-corporate borrowers.

- (iv) The Bank has not acquired any stressed loans.

5.13 a) Details of non-performing financial assets purchased from other banks

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022
1 (a) No. of accounts purchased during the year	NIL	NIL
(b) Aggregate outstanding	NIL	NIL
2 (a) Of these, number of accounts restructured during the year	NIL	NIL
(b) Aggregate outstanding	NIL	NIL

b) Details of non-performing financial assets sold to other banks

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022
1. No. of accounts sold during the year	NIL	NIL
2. Aggregate outstanding	NIL	NIL
3. Aggregate consideration received	NIL	NIL

5.14 Provisions on Standard Assets

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022
Provision for Standard Assets ¹	278.02	288.07
Provision for Unhedged Foreign Currency Exposure of borrowers	2.75	2.75
Provision for Specific Standard Assets ²	78.97	116.54
Total (Refer Schedule 5-IV(i) – Other Liabilities and Provisions)	359.74	407.36

1. Includes provision for standard restructured assets.

2. Include of ₹ 52.12 crores (Previous year: ₹ 70.41 crores) towards likely impact of Covid-19 on restructured and stressed assets. (Refer note 5.7)

6 BUSINESS RATIOS

Particulars	March 31, 2023	March 31, 2022
Interest Income as a percentage to Working Funds (%) ¹	8.78	8.51
Non-Interest Income as a percentage to Working Funds (%) ¹	0.86	1.09
Cost of deposits (%)	6.03	6.05
Net Interest Margin (%) ²	3.93	3.56
Operating Profit as a percentage to Working Funds (%) ^{1,3}	1.64	1.93
Return on Assets (%) ⁴	0.97	0.70
Business per employee (₹ in crore) ^{5,6}	7.80	8.61
Profit after tax per employee (₹ in crore) ⁶	0.05	0.04

1. Working funds have been considered as the average of total monthly assets as reported to the Reserve Bank of India in Form X under Section 27 of the Banking Regulation Act, 1949 during the financial year.

2. Ratio of Net Interest Income to average earning assets.

3. For the purpose of this ratio, Operating Profit is profit for the year before provisions and contingencies.

4. Assets have been considered as the average of total monthly assets as reported to the Reserve Bank of India in Form X under Section 27 of the Banking Regulation Act, 1949.

5. For the purpose of this ratio, business has been recorded as deposits (excluding interbank deposits) plus net advances.

6. For the purpose of this ratio, employees have been considered as the average of the total employees at the end of each month of the year.

7 OTHER FIXED ASSETS (including furniture and fixtures)

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

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022
Cost		
As at March 31 of the preceding year	146.78	136.26
Additions during the year	26.11	10.52
Deductions during the year	(0.11)	-
Total (a)	172.78	146.78
Depreciation		
As at March 31 of the preceding year	98.27	85.55
Charge for the year	16.41	12.72
On deductions during the year	-	-
Total (b)	114.68	98.27
Net value as at March 31 of the current year (a-b)	58.10	48.51

8 ASSET LIABILITY MANAGEMENT**8.1 Maturity pattern of certain items of assets and liabilities as at March 31, 2023**

(₹ in crore)

Maturity Buckets	Loans and Advances	Investments [#]	Deposits	Borrowings	Foreign Currency Assets [@]	Foreign Currency Liabilities
Day 1	194.60	3,217.87	227.72	-	57.20	11.96
2 to 7 days	721.30	23.67	907.21	25.00	275.22	1.22
8 to 14 days	512.24	-	986.13	4.25	0.28	1.51
15 to 30 days	478.87	124.01	846.70	121.50	2.64	0.35
31 days to 2 months	627.99	1,146.12	1,713.33	19.08	20.78	4.97
Over 2 months & upto 3 months	1,374.67	70.00	1,555.40	104.08	27.35	1.25
Over 3 months & upto 6 months	2,128.61	-	3,825.59	385.98	46.44	35.41
Over 6 months & upto 1 year	2,104.05	2,718.63	8,198.70	674.04	120.11	65.77
Over 1 year & upto 3 years	10,176.95	4,943.78	21,763.54	2,147.63	-	247.10
Over 3 years & upto 5 years	3,894.22	202.46	729.39	636.56	-	2.24
Over 5 years	12,167.24	135.92	485.20	-	8.01	-
Total	34,380.74	12,582.46	41,238.91	4,118.12	558.03	371.78

@ excludes foreign currency bills discounted as they are booked in Indian Rupees.

The amounts placed in repo, SDF and LAF lending for overnight placement of surplus liquidity do not form part of the investments numbers mentioned above.

Maturity pattern of certain items of assets and liabilities as at March 31, 2022

(₹ in crore)

Maturity Buckets	Loans and Advances	Investments[#]	Deposits	Borrowings	Foreign Currency Assets[@]	Foreign Currency Liabilities
Day 1	80.02	2,039.29	275.95	-	45.63	13.84
2 to 7 days	546.93	74.30	801.25	55.00	419.22	5.30
8 to 14 days	397.61	-	891.30	2.86	-	2.24
15 to 30 days	512.96	62.03	860.29	10.50	265.27	1.71
31 days to 2 months	958.84	558.24	1,879.05	17.69	6.14	1.83
Over 2 months & upto 3 months	896.96	-	1,834.31	245.36	72.21	19.10
Over 3 months & upto 6 months	1,137.49	321.00	3,617.25	360.56	22.17	44.55
Over 6 months & upto 1 year	2,218.00	2,253.35	7,689.45	1,039.86	-	89.16
Over 1 year & upto 3 years	10,515.80	3,397.77	15,511.18	1,676.26	-	47.24
Over 3 years & upto 5 years	2,895.41	212.00	894.28	673.75	-	7.43
Over 5 years	8,935.76	132.67	437.38	-	7.39	-
Total	29,095.78	9,050.65	34,691.69	4,081.84	838.03	232.40

@ excludes foreign currency bills discounted as they are booked in Indian Rupees.

The amounts placed in repo and LAF lending for overnight placement of surplus liquidity do not form part of the investments numbers mentioned above.

Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI, which has been relied upon by the auditors.

8.2 Liquidity Coverage Ratio (LCR)

(A) Quantitative Disclosures

Financial Year 2022-23

(₹ in crore)

	Q1 FY 2022-23			Q2 FY 2022-23			Q3 FY 2022-23			Q4 FY 2022-23		
	Unweighted Value (average)	Weighted Value (average)	Total Value (average)	Unweighted Value (average)	Weighted Value (average)	Total Value (average)	Unweighted Value (average)	Weighted Value (average)	Total Value (average)	Unweighted Value (average)	Weighted Value (average)	Total Value (average)
High Quality Liquid Assets												
1 Total High Quality Liquid Assets (HQLA)		9,301.83			9,023.04				9,191.31			10,011.39
Cash Outflows												
2 Retail deposits and deposits from small business customers, of which:	22,912.90	1,932.57	23,574.31	23,574.31	1,996.23	24,326.66	24,326.66	2,064.47	25,727.36	2,185.91		
(i) Stable Deposits	7,174.40	358.72	7,224.00	7,224.00	361.20	7,363.85	7,363.85	368.19	7,736.57	386.83		
(ii) Less Stable Deposits	15,738.50	1,573.85	16,350.31	16,350.31	1,635.03	16,962.81	16,962.81	1,696.28	17,990.79	1,799.08		
3 Unsecured wholesale funding, of which:	7,559.38	4,708.46	7,691.34	7,691.34	4,572.52	8,205.88	8,205.88	5,065.98	8,871.21	5,581.56		
(i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-	-	-		
(ii) Non-operational deposits (all counterparties)	4,751.54	1,900.62	5,198.04	5,198.04	2,079.22	5,233.17	5,233.17	2,093.27	5,482.75	2,193.10		
(iii) Unsecured debt	2,807.84	2,807.84	2,493.30	2,493.30	2,493.30	2,972.71	2,972.71	2,972.71	3,388.46	3,388.46		
4 Secured wholesale funding		0.00	0.00		0.00			0.00		0.00		
5 Additional requirements, of which	5,866.95	2,245.03	7,269.27	7,269.27	3,425.76	6,789.50	6,789.50	3,295.24	6,551.02	2,821.85		
(i) Outflows related to derivative exposures and other collateral requirements	1,841.63	1,841.63	3,006.33	3,006.33	3,006.33	2,901.55	2,901.55	2,901.55	2,428.50	2,428.50		
(ii) Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
(iii) Credit and liquidity facilities	4,025.32	403.40	4,262.94	4,262.94	419.43	3,887.95	3,887.95	393.69	4,122.52	393.35		
6 Other contractual funding obligations	667.66	667.66	613.90	613.90	613.90	795.55	795.55	795.55	652.76	652.76		
7 Other contingent funding obligations	2,067.94	74.90	1,665.46	1,665.46	56.21	1,609.92	1,609.92	53.01	1,652.59	54.39		
8 Total Cash Outflows		9,628.62			10,664.62			11,274.25		11,296.47		
Cash Inflows												
9 Secured lending (e.g. reverse repos)	973.62	0.00	133.27	133.27	0.00	1.51		0.00	87.06	0.00		
10 Inflows from fully performing exposures	1,583.82	1,275.29	1,427.19	1,427.19	1,134.31	1,477.23	1,477.23	1,152.50	1,502.61	1,119.80		
11 Other cash inflows	2,107.67	1,890.14	3,266.17	3,266.17	3,054.53	3,210.78	3,210.78	2,976.00	2,680.14	2,474.44		
12 Total Cash Inflows	4,665.11	3,165.43	4,826.63	4,826.63	4,188.84	4,689.52	4,689.52	4,128.50	4,269.81	3,594.24		
TOTAL HQLA												
Total Net Cash Outflows		9,301.83			9,023.04			9,191.31		10,011.39		
Liquidity Coverage Ratio (%)		6,463.19			6,475.78			7,145.75		7,702.23		
		143.92%			139.33%			128.63%		129.98%		

In computing the above information, certain estimates/assumptions have been made by the Bank's management which have been relied upon by the auditors.

Financial Year 2021-22

(₹ in crore)

	Q1 FY 2021-22			Q2 FY 2021-22			Q3 FY 2021-22			Q4 FY 2021-22		
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Value (average)
High Quality Liquid Assets												
1 Total High Quality Liquid Assets (HQLA)		8,543.29			9,017.69			8,734.06			8,353.47	
Cash Outflows												
2 Retail deposits and deposits from small business customers, of which:	20,459.90	1,700.04		21,045.95	1,755.14		21,464.73	1,795.17		22,236.42	1,869.83	
(i) Stable Deposits	6,919.12	345.96		6,989.13	349.46		7,026.17	351.31		7,076.35	353.82	
(ii) Less Stable Deposits	13,540.78	1,354.08		14,056.82	1,405.68		14,438.56	1,443.86		15,160.07	1,516.01	
3 Unsecured wholesale funding, of which:	6,724.40	4,284.51		7,212.35	4,700.95		6,982.11	4,593.82		7,321.35	4,768.14	
(i) Operational deposits (all counterparties)	-	-		-	-		-	-		-	-	
(ii) Non-operational deposits (all counterparties)	4,066.49	1,626.60		4,185.67	1,674.27		3,980.48	1,592.19		4,255.35	1,702.14	
(iii) Unsecured debt	2,657.91	2,657.91		3,026.68	3,026.68		3,001.63	3,001.63		3,066.00	3,066.00	
4 Secured wholesale funding		0.00			0.00			0.00			0.00	
5 Additional requirements, of which	4,385.20	1,112.15		4,531.92	1,083.94		4,522.55	1,216.25		4,959.52	1,475.40	
(i) Outflows related to derivative exposures and other collateral requirements	879.86	879.86		808.20	808.20		875.07	875.07		1,103.80	1,103.80	
(ii) Outflows related to loss of funding on debt products	0.00	0.00		0.00	0.00		0.00	0.00		0.00	0.00	
(iii) Credit and liquidity facilities	3,505.34	232.29		3,723.72	275.74		3,647.48	341.18		3,855.72	371.60	
6 Other contractual funding obligations	742.41	742.41		675.37	675.37		910.75	910.75		586.05	586.05	
7 Other contingent funding obligations	2,475.79	96.52		1,593.38	52.52		1,721.18	58.96		1,828.83	63.90	
8 Total Cash Outflows		7,935.63			8,267.92			8,574.95			8,763.32	
Cash Inflows												
9 Secured lending (e.g. reverse repos)	1,261.86	0.00		1,619.61	0.00		1,407.16	0.00		1,222.30	0.00	
10 Inflows from fully performing exposures	682.50	635.26		662.82	622.62		732.69	628.46		1,263.23	974.79	
11 Other cash inflows	1,220.47	963.77		1,170.43	882.51		1,248.79	966.78		1,339.64	1,123.50	
12 Total Cash Inflows	3,164.83	1,599.03		3,452.86	1,505.13		3,388.64	1,595.24		3,825.17	2,098.29	
TOTAL HQLA		8,543.29			9,017.69			8,734.06			8,353.47	
Total Net Cash Outflows		6,336.60			6,762.79			6,979.71			6,665.03	
Liquidity Coverage Ratio (%)		134.82%			133.34%			125.13%			125.33%	

In computing the above information, certain estimates/assumptions have been made by the Bank's management which have been relied upon by the auditors.

(B) Qualitative Disclosures

The Bank maintains Liquidity Coverage Ratio (LCR) which is a ratio of High-Quality Liquid Assets (HQLA) to Expected Net Cash Outflow over the next 30 calendar days, as per the RBI guidelines. Banks, in India, are required to meet the minimum required level of 100% LCR.

The LCR is being computed and monitored on daily simple average basis. The objective of the LCR is to ensure that the Bank maintains an adequate level of unencumbered HQLAs that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario specified by supervisors. Further at a minimum, the stock of liquid assets should enable the Bank to survive until day 30 of the stress scenario, by which time it is assumed that appropriate corrective actions can be taken.

The numerator, High Quality Liquid Assets comprises mainly of excess SLR securities, cash, excess CRR balances, Marginal Standing Facility ('MSF') to the extent of 2 per cent with effect from January 01, 2022 of Net Demand and Time Liabilities ('NDTL') as guided by the RBI Circular and Facility to Avail Liquidity for Liquidity Coverage Ratio ('FALLCR') up to 15 per cent of NDTL till April 17, 2022 and 16 per cent of NDTL thereafter, as guided by the RBI Circular dated April 18, 2022. The denominator i.e. cash outflow over next 30 days comprises mainly of the deposit maturities and other cash outflows net of cash inflows in next 30 day period. As a part of its strategy to manage the liquidity requirements, the Bank has been consistently investing in SLR securities of about 2% to 5% of its NDTL, over and above the regulatory SLR requirement.

HQLA of the Bank comprises of mainly Level-1 assets as per the RBI guidelines i.e. government securities apart from cash, Standing Deposit Facility (SDF) and excess CRR.

The major source of funding for the Bank is deposits from customers. The Bank does not rely on interbank borrowings. However, long term refinance from SIDBI, NABARD and NHB is availed against eligible loan assets. Further, the Bank has committed lines of credit from select public and private sector banks.

The Bank does not have any derivative exposure other than the forward contracts entered by the Bank which does not affect LCR of the Bank significantly.

Apart from computing the LCR in the domestic currency, the Bank is also required to compute LCR in the currency in which aggregate liabilities denominated in that currency amount to 5 per cent or more of the Bank's total liabilities. To comply with the said requirement, the Bank computes the LCR in USD as the dollar denominated liabilities are more than 5% of the Bank's total liabilities. During the financial year 2022-23, the cash inflows in next 30 days denominated in the USD were usually higher than the cash outflows in next 30 days denominated in USD.

The liquidity management of the Bank is centralized at Treasury. Treasury Front Office shall, depending upon the expected outflows and inflows for the day, decide to borrow or lend to maintain optimal liquidity. Treasury Back Office monitors the expected inflows and outflows by way of maintaining a register which records the expected outflows and inflows that are informed in advance by the branches as well as by Treasury Front Office before making any investment. For this purpose, branches are required to inform the Treasury Back Office in advance of any expected large flows above ₹ 5 crore. Also, Treasury Back Office takes into account the deposits that are scheduled to mature in order to arrive at the expected cash outflows for that particular day. As a part of effective liquidity management, the Bank always maintains excess SLR securities which can be pledged to meet the shortfall in intraday liquidity, if any.

8.3 Net Stable Funding Ratio (NSFR)

(A) Quantitative Disclosures

Financial Year 2022-23

(₹ in crore)

Net Stable Funding Ratio (NSFR)										
As on June 30, 2022					As on September 30, 2022					
	Unweighted value by residual maturity				Weighted value	Unweighted value by residual maturity				Weighted value
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item										
1 Capital: (2+3)	4,156.12	300.00	150.00	-	4,156.12	4,167.96	450.00	-	-	4,167.96
2 Regulatory capital	3,850.59	-	-	-	3,850.59	3,851.32	-	-	-	3,851.32
3 Other capital instruments	305.53	300.00	150.00	-	305.53	316.64	450.00	-	-	316.64
4 Retail deposits and deposits from small business customers: (5+6)	8,821.74	4,580.56	3,054.76	7,228.62	22,294.64	9,704.42	3,928.47	2,778.71	7,856.98	22,877.95
5 Stable deposits	3,100.66	1,200.72	791.71	2,068.25	6,906.69	3,304.01	1,012.01	694.79	2,239.57	6,999.84
6 Less stable deposits	5,721.08	3,379.84	2,263.05	5,160.37	15,387.95	6,400.41	2,916.45	2,083.92	5,617.41	15,878.11
7 Wholesale funding: (8+9)	1,067.45	5,152.26	5,163.90	3,561.17	7,871.34	1,048.69	6,617.14	4,697.00	3,393.57	7,888.23
8 Operational deposits	-	-	-	-	-	-	-	-	-	-
9 Other wholesale funding	1,067.45	5,152.26	5,163.90	3,561.17	7,871.34	1,048.69	6,617.14	4,697.00	3,393.57	7,888.23
10 Other liabilities: (11+12)	332.70	1,240.11	4,269.15	172.32	96.82	402.67	1,370.21	4,895.58	182.82	107.36
11 NSFR derivative liabilities	-	-	-	4.37	-	-	-	-	-	-
12 All other liabilities and equity not included in the above categories	332.70	1,240.11	4,264.78	172.32	96.82	402.67	1,370.21	4,895.58	182.82	107.36
13 Total ASF (1+4+7+10)					34,418.92					35,041.50
RSF Item										
14 Total NSFR high-quality liquid assets (HQLA)					410.55					444.37
15 Deposits held at other financial institutions for operational purposes	53.38	-	-	-	26.69	42.06	-	-	-	21.03
16 Performing loans and securities: (17+18+19+21+23)	-	2,093.49	2,080.19	25,301.10	22,337.89	-	1,984.55	1,876.23	27,000.84	23,662.92
17 Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-	-	-	-	-	-
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	581.92	97.24	909.88	1,045.79	-	253.66	232.57	896.07	1,050.41
19 Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	1,511.57	1,982.95	18,972.16	17,683.92	-	1,730.89	1,643.66	20,125.07	18,637.06
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	948.38	616.45	-	-	-	782.62	508.71
21 Performing residential mortgages, of which:	-	-	-	4,990.10	3,243.56	-	-	-	5,536.45	3,598.69
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	4,990.10	3,243.56	-	-	-	5,536.45	3,598.69
23 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	428.96	364.62	-	-	-	443.25	376.76
24 Other assets: (sum of rows 25 to 29)	-	380.62	4,079.17	4,880.35	5,008.00	-	137.11	4,803.50	4,731.90	4,899.57
25 Physical traded commodities, including gold	-	-	-	-	-	-	-	-	-	-
26 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	134.86	-	114.63	-	-	135.70	-	115.35
27 NSFR derivative assets	-	-	0.00	-	-	-	-	0.56	-	0.56
28 NSFR derivative liabilities before deduction of variation margin posted	-	-	0.77	-	0.77	-	-	0.84	-	0.84
29 All other assets not included in the above categories	-	244.99	4,079.17	4,880.35	4,892.60	-	-	4,803.50	4,731.90	4,782.82
30 Off-balance sheet items	-	-	-	6,519.86	298.33	-	-	-	5,621.08	253.46
31 Total RSF (14+15+16+24+30)					28,081.45					29,281.35
32 Net Stable Funding Ratio (%)					122.57%					119.67%

Net Stable Funding Ratio (NSFR)											
As on December 31, 2022						As on March 31, 2023					
	Unweighted value by residual maturity				Weighted value	Unweighted value by residual maturity				Weighted value	
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr		No maturity	< 6 months	6 months to < 1yr	≥ 1yr		
ASF Item											
1	Capital: (2+3)	4,216.76	150.00	-	-	4,216.76	4,653.28	-	-	300.00	4,953.28
2	Regulatory capital	3,886.72	-	-	-	3,886.72	4,653.28	-	-	300.00	4,953.28
3	Other capital instruments	330.04	150.00	-	-	330.04	-	-	-	-	-
4	Retail deposits and deposits from small business customers: (5+6)	9,878.49	3,391.19	3,017.67	9,406.19	24,313.01	9,664.74	2,946.16	3,176.31	10,981.62	25,438.60
5	Stable deposits	3,382.04	821.84	760.24	2,583.53	7,299.45	3,450.01	697.35	822.58	2,987.45	7,708.89
6	Less stable deposits	6,496.45	2,569.35	2,257.43	6,822.66	17,013.56	6,214.73	2,248.81	2,353.73	7,994.17	17,729.71
7	Wholesale funding: (8+9)	941.66	6,910.84	5,367.87	4,267.24	8,955.16	1,140.92	6,304.00	5,791.06	5,052.24	9,894.51
8	Operational deposits	-	-	-	-	-	-	-	-	-	-
9	Other wholesale funding	941.66	6,910.84	5,367.87	4,267.24	8,955.16	1,140.92	6,304.00	5,791.06	5,052.24	9,894.51
10	Other liabilities: (11+12)	541.40	1,390.58	2,692.99	193.14	120.46	239.39	1,642.79	3,668.36	244.23	172.51
11	NSFR derivative liabilities				1.32					0.68	
12	All other liabilities and equity not included in the above categories	541.40	1,390.58	2,691.67	193.14	120.46	239.39	1,642.79	3,667.68	244.23	172.51
13	Total ASF (1+4+7+10)					37,605.39					40,458.90
RSF Item											
14	Total NSFR high-quality liquid assets (HQLA)					449.88					488.26
15	Deposits held at other financial institutions for operational purposes	55.19	-	-	-	27.59	62.63	-	-	-	31.32
16	Performing loans and securities: (17+18+19+21+23)	-	2,676.21	2,603.26	28,279.02	25,129.63	-	2,233.31	3,573.90	29,922.58	26,803.87
17	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-	-	-	-	-	-
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	884.48	180.27	734.41	957.21		518.10	191.01	769.10	942.32
19	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	1,791.73	2,422.99	20,843.66	19,681.83		1,715.21	3,382.89	21,300.10	20,532.07
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	713.21	463.58	-	-	-	610.36	396.74
21	Performing residential mortgages, of which:	-	-	-	6,026.06	3,916.94	-	-	-	6,729.46	4,374.15
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	6,026.06	3,916.94	-	-	-	6,729.46	4,374.15
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	674.89	573.65				1,123.92	955.33
24	Other assets: (sum of rows 25 to 29)	-	135.96	2,638.94	4,719.73	4,886.27	-	237.72	3,481.63	4,621.02	4,741.68
25	Physical traded commodities, including gold	-	-	-	-	-	-	-	-	-	-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs			135.55		115.21			135.38		115.07
27	NSFR derivative assets			0.00		-			0.00		-
28	NSFR derivative liabilities before deduction of variation margin posted			0.41		0.41			0.50		0.50
29	All other assets not included in the above categories	-	-	2,638.94	4,719.73	4,770.65		101.84	3,481.63	4,621.02	4,626.11
30	Off-balance sheet items	-	-	-	5,345.18	239.13				5,856.90	264.23
31	Total RSF (14+15+16+24+30)					30,732.50					32,329.36
32	Net Stable Funding Ratio (%)					122.36%					125.15%

Financial Year 2021-22

(₹ in crore)

Net Stable Funding Ratio (NSFR)										
As on December 31, 2021						As on March 31, 2022				
	Unweighted value by residual maturity				Weighted value	Unweighted value by residual maturity				Weighted value
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item										
1 Capital: (2+3)	3,881.52	-	300.00	150.00	4,031.52	4,149.61	-	450.00	-	4,149.61
2 Regulatory capital	3,591.06	-	-	-	3,591.06	3,850.45	-	-	-	3,850.45
3 Other capital instruments	290.46	-	300.00	150.00	440.46	299.16	-	450.00	-	299.16
4 Retail deposits and deposits from small business customers: (5+6)	7,058.50	3,554.74	4,094.21	7,160.76	20,635.33	7,987.64	4,463.78	3,570.16	7,010.57	21,690.73
5 Stable deposits	2,647.19	966.47	1,143.73	2,121.38	6,640.90	3,029.30	1,230.80	954.56	1,979.19	6,933.12
6 Less stable deposits	4,411.31	2,588.27	2,950.47	5,039.38	13,994.43	4,958.34	3,232.98	2,615.60	5,031.38	14,757.61
7 Wholesale funding: (8+9)	1,164.53	6,074.88	3,024.03	2,857.58	6,160.68	1,157.98	5,102.32	4,749.65	4,281.43	8,250.63
8 Operational deposits	-	-	-	-	-	-	-	-	-	-
9 Other wholesale funding	1,164.53	6,074.88	3,024.03	2,857.58	6,160.68	1,157.98	5,102.32	4,749.65	4,281.43	8,250.63
10 Other liabilities: (11+12)	419.86	1,051.72	1,259.69	186.94	162.95	267.72	1,274.03	1,977.54	183.13	108.48
11 NSFR derivative liabilities	-	-	-	-	-	-	-	-	-	-
12 All other liabilities and equity not included in the above categories	419.86	1,051.72	1,259.69	186.94	162.95	267.72	1,274.03	1,977.54	183.13	108.48
13 Total ASF (1+4+7+10)					30,990.48					34,199.45
RSF Item										
14 Total NSFR high-quality liquid assets (HQLA)					354.37					375.68
15 Deposits held at other financial institutions for operational purposes	45.63	-	-	-	22.81	52.43	-	-	-	26.21
16 Performing loans and securities: (17+18+19+21+23)	-	2,300.43	797.03	23,755.17	20,848.56	-	2,609.67	1,958.29	24,543.29	22,009.23
17 Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-	-	-	-	-	-
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	491.50	63.08	754.28	859.54	-	932.68	48.04	753.16	917.09
19 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	1,808.93	733.95	18,274.32	16,804.62	-	1,676.99	1,910.25	18,609.48	17,611.67
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	-	-	-	-	-	-	-
21 Performing residential mortgages, of which:	-	-	-	4,165.91	2,707.84	-	-	-	4,615.42	3,000.02
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	4,165.91	2,707.84	-	-	-	4,615.42	3,000.02
23 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	560.66	476.56	-	-	-	565.23	480.45
24 Other assets: (sum of rows 25 to 29)	-	83.73	1,415.13	4,917.62	4,989.02	-	88.02	1,828.27	5,058.65	5,133.92
25 Physical traded commodities, including gold	-	-	-	-	-	-	-	-	-	-
26 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	82.22	-	69.89	-	-	85.02	-	72.27
27 NSFR derivative assets	-	-	1.07	-	1.07	-	-	2.80	-	2.80
28 NSFR derivative liabilities before deduction of variation margin posted	-	-	0.45	-	0.45	-	-	0.20	-	0.20
29 All other assets not included in the above categories	-	-	1,415.13	4,917.62	4,917.61	-	-	1,828.27	5,058.65	5,058.65
30 Off-balance sheet items	-	-	-	5,930.20	268.79	-	-	-	7,049.79	324.30
31 Total RSF (14+15+16+24+30)	-	-	-	-	26,483.55	-	-	-	-	27,869.34
32 Net Stable Funding Ratio (%)					117.02%					122.71%

In computing the above information, certain estimates/assumptions have been made by the Bank's management which have been relied upon by the auditors.

(B) Qualitative Disclosures

Pursuant to the RBI guidelines on NSFR dated May 17, 2018, the Bank has adopted and complied with the Basel III standards pertaining to NSFR from October 01, 2021. NSFR aims to improve the resilience of banks by promoting long-term funding stability. It mandates banks to maintain a stable funding profile vis-à-vis the composition of their assets and off-balance sheet activities. It reduces the probability of erosion of a bank's liquidity position due to disruptions to its regular sources of funding. The NSFR guidelines of RBI stipulate the applicable Required Stable Funding ("RSF") factor for each category of asset and Available Stable Funding ("ASF") factor for each type of funding source. NSFR represents the ratio of the bank's ASF to RSF. The breakdown of the bank's ASF and RSF amounts after applying the respective ASF or RSF factors are provided in the "weighted amount" column of the NSFR disclosure format.

The Available Stable Funding (ASF) is primarily driven by the total regulatory capital as per Basle III Capital Adequacy guidelines stipulated by RBI and deposits from retail customers, small business customers and non-financial corporate customers. Under the Required Stable Funding (RSF), the primary drivers are unencumbered performing loans with residual maturities of one year or more, excluding loans to financial institutions.

9 CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAs**9.1 Concentration of Deposits**

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022
Total deposits of twenty largest depositors*	2,869.83	2,189.98
Percentage of deposits of twenty largest depositors to total deposits of the Bank	6.96%	6.31%

*Excludes holders of Certificates of Deposits.

9.2 Concentration of Advances

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022
Total advances to twenty largest borrowers	1,679.22	1,717.77
Percentage of Advances to twenty largest borrowers to total advances of the bank	4.29%	5.03%

Note: Advances reported above include both funded and non-funded loan exposure with limits or outstanding whichever is higher, for other than fully drawn term loans and NPAs. In case of fully drawn term loans and NPAs, the outstanding amount has been considered for this purpose. The Advances figure above also includes non-inter bank credit exposure on derivatives including forward exchange contracts.

9.3 Concentration of Exposures

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022
Total Exposures to twenty largest borrowers / customers	2,579.80	1,978.81
Percentage of Exposures to twenty largest borrowers / Customers to Total Exposures of the bank on borrowers / Customers	6.17%	5.55%

Note: Exposures reported above include both funded and non-funded exposures [including advances and investments (other than SLR Investments)] with limits or outstanding whichever is higher, for other than fully drawn term loans and NPAs. In case of fully drawn term loan and NPAs, the outstanding amount has been considered for this purpose. The exposure figure above also includes non-inter bank credit exposure on derivatives including forward exchange contracts.

9.4 Concentration of NPAs

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022
Total Exposure to top twenty NPA accounts	262.03	161.30
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	23.34%	12.50%

Notes:

1. NPAs are taken on gross basis.
2. Fund based exposures identified as NPAs.

9.5 Off-Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms) as on March 31, 2023 and March 31, 2022

Name of the SPV sponsored	
Domestic	Overseas
NIL	NIL

10 EXPOSURES**10.1 Exposure to the Real Estate Sector**

(₹ in crore)

Category	March 31, 2023	March 31, 2022
a) Direct Exposure		
(i) Residential Mortgages(*)	8,760.33	6,412.94
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented:		
(*) Includes Individual housing loans eligible for inclusion in priority sector advances - ₹ 3,749.56 crore (Previous year: ₹ 3,135.36 crore)		
(ii) Commercial Real Estate	2,558.40	1,930.18
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.)		
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -		
(a) Residential	-	-
(b) Commercial Real Estate	-	-
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	726.89	650.83
Total Exposure to the Real Estate Sector	12,045.62	8,993.95

10.2 Exposure to the Capital Market

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022
i. Direct investment 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;	28.60	28.60
ii. 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;	-	-
iii. 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;	0.60	1.14
iv. 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 the primary security other than shares/convertible bonds/ convertible debentures/units of equity oriented mutual funds does not fully cover the advances;	-	-
v. Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	189.89	355.15
vi. 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;	-	-
vii. Bridge loans to companies against expected equity flows/ issues;	-	-
viii. Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
ix. Financing to stockbrokers for margin trading;	-	-
x. All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to the Capital Market	219.09	384.89

10.3 Risk category-wise country exposure

(₹ in crore)

Risk Category	Exposure (net) as at March 31, 2023	Provision held as at March 31, 2023	Exposure (net) as at March 31, 2022	Provision held as at March 31, 2022
Insignificant	156.31	-	551.85	-
Low	208.73	-	228.95	-
Moderate Low	-	-	3.31	-
Moderate	-	-	-	-
Moderate High	0.88	-	-	-
High	-	-	-	-
Very High	-	-	-	-
Total	365.92	-	784.11	-

10.4 Details of Large Exposures Framework limits exceeded by the Bank

As per regulatory guidelines, with effect from April 1, 2019 in case of single counterparty, the sum of all the exposure values of a bank to a single counterparty must not be higher than 20 percent of the bank's available eligible capital base at all times. In exceptional cases, Board of bank may allow an additional 5 percent exposure of the bank's available eligible capital base. In case of group of connected counterparties, the sum of all the exposure values of a bank to a group of connected counterparties must not be higher than 25 percent of the bank's available eligible capital base at all times.

The eligible capital base for this purpose is the effective amount of Tier 1 capital fulfilling the criteria defined in Master Circular on Basel III - Capital Regulation /Master Direction on 'Basel III Capital Regulations' as per the last audited balance sheet.

During the years ended March 31, 2023 and March 31, 2022, the Bank has not exceeded the prudential exposure limits as laid down by the RBI guidelines under Large Exposure Framework.

10.5 Intra Group Exposure

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022
Total amount of intra-group exposure	NIL	NIL
Total amount of top-20 intra-group exposure	NIL	NIL
Percentage of intra group exposure to total exposure of the Bank on borrower/ customer	NIL	NIL
Details of breach of limit on intra group exposure and regulatory action thereon, if any	NIL	NIL

10.6 Unsecured Advances

Details of advances included in Schedule 9 where intangibles like rights, licenses, authority, etc. are charged to the Bank as collateral:

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022
Total unsecured gross advances of the Bank	1,978.48	1,429.90
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	NIL	NIL
Estimated value of such intangible securities	NIL	NIL

10.7 Factoring Business

The outstanding receivables acquired by the Bank under factoring business were ₹ 681.13 crore as at March 31, 2023 (Previous year: ₹ 450.49 crore).

10.8 Unhedged Foreign Currency Exposure (UFCE)

In accordance with the RBI guidelines on banks' exposures to entities with Unhedged Foreign Currency Exposure ('UFCE'), the Bank has put in place a mechanism to seek information from its borrowers and to evaluate the currency induced credit risk. In the case of listed entities, the Bank obtains information relating to unhedged positions based on the latest available audited / reviewed financial statements; whilst in the case of unlisted / private companies, the Bank obtains the aforesaid information based on the latest available audited financial statements (not exceeding a financial year) so as to estimate the extent of likely loss and to provide for incremental capital or to recognize incremental provision in accordance with the aforesaid guidelines. Further, as per the above-mentioned guidelines, the Bank obtains audited and certified UFCE information from the statutory auditors of the borrowers on an annual basis. In the case of smaller entities i.e. entities with exposure to banking industry of less than ₹ 25 crore and as identified by the Bank as having any foreign exchange exposure, the Bank recognizes an incremental provision at 10 basis points on all such exposures.

The incremental provisions and capital held by the Bank towards this risk, included in the Bank's financials are as under:

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022
Provisioning Requirement for UFCE	2.75	2.75
Risk weight on account of UFCE	15.20	49.65
Capital Requirement at 9%	1.37	4.47

11 COMPLIANCE WITH ACCOUNTING STANDARDS, READ WITH THE RBI GUIDELINES

11.1 Employee Benefits (Accounting Standard 15)

The contribution to Employees' Provident Fund included under "Payments to and Provisions for Employees" in Schedule 16 amounted to ₹ 20.97 crore for the year ended March 31, 2023 (Previous year ₹ 16.05 crore).

During the year, the Bank has contributed ₹ 1.17 crores (previous year ₹ 1.00 crores) to the National Pension Scheme for employees who had opted for the scheme.

The Bank has a gratuity trust approved by Income Tax Department namely "DCB Bank Limited Staff Gratuity Fund". Every employee who has completed 5 years or more of service gets gratuity on separation at half month's last drawn salary for each completed year of service, subject to a cap of ₹ 20.00 lakhs for employees who joined after April 1, 2006 and without any such limit for other employees.

Reconciliation of opening and closing balance of the present value of the defined benefit obligation for gratuity benefits is given below:

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022
Balance Sheet – Details of provision for Gratuity		
Defined benefit obligation	30.61	28.26
Fair value of plan Assets	29.34	27.71
Net Assets/(Liabilities)	(1.27)	(0.55)
Amounts in Balance Sheet		
Assets (included in Schedule 11 – Other Assets)	-	-
Liabilities (included in Schedule 5 – Other Liabilities and Provisions)	1.27	0.55
Change in Defined Benefit Obligations		
Obligations at the beginning of the year	28.26	27.07
Interest Cost	1.53	1.48
Current Service Cost	2.82	2.57
Past Service Cost	-	-
Benefits paid	(4.57)	(3.82)
Actuarial (gain)/loss on Obligation	2.57	0.96
Present value of obligation at the end of the year	30.61	28.26
Change in the Fair value of Plan Assets		
Fair value of plan assets at the beginning of the year	27.71	26.17
Expected Return on plan assets	1.64	1.89
Contributions	4.75	4.00
Benefits paid	(4.57)	(3.82)
Actuarial gain/(Loss) on plan assets	(0.19)	(0.53)
Fair value of plan assets at the end of the year	29.34	27.71
Cost for the year		
Current service cost	2.82	2.57
Interest cost	1.53	1.48
Expected return on plan assets	(1.64)	(1.89)
Net Actuarial (gain)/loss recognised in the year	2.76	1.49
Past service cost	-	-
Expense recognised in “Payments to and Provision for Employees” [Refer Schedule-16 (I)]	5.47	3.65
Actual return on plan assets	1.45	1.36
Experience Adjustments		
On obligation	3.28	1.10
On plan assets	(0.19)	(0.53)
Assumptions		
Discount rate	7.30% p.a.	5.89% p.a.
Expected return on plan assets	7.00% p.a.	7.00% p.a.
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Future salary increases	5.00% p.a.	5.00% p.a.

Experience adjustments

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
Plan assets	29.34	27.71	26.17	22.91	19.27
Defined benefit obligation	30.61	28.26	27.07	24.25	19.83
Surplus / (Deficit)	(1.27)	(0.55)	(0.90)	(1.34)	(0.56)
Experience adjustment gain/ (loss) on plan assets	(0.19)	(0.53)	0.89	0.32	0.16
Experience adjustment (gain) /loss on plan liabilities	3.28	1.10	0.15	1.67	0.98

All the plan assets are invested by the gratuity trust namely “DCB Bank Limited Staff Gratuity Fund” in Government securities (CY about 53%, PY about 51%), high rated corporate bonds (CY about 32%, PY about 33%), units of mutual funds/ insurance companies (CY about 7%, PY about 6%) and others (CY about 8%, PY about 10%) set up as dedicated funds for management of gratuity funds.

Estimated rate of return on plan assets is based on the Bank’s expectation of the average long-term rate of return expected on investments of the Fund during the estimated term of the obligations.

The contribution expected to be paid to the plan during the annual period beginning after the Balance Sheet date is ₹ 3.64 crore (Previous year: ₹ 9.66 crore).

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

In computing the above information, certain estimates have been made by the Bank’s management which have been relied upon by the auditors.

11.2 Earnings Per Share (‘EPS’)

The Bank reports basic and diluted earnings per equity share in accordance with AS-20, “Earnings per Share”. The dilutive impact is due to stock options granted to employees by the Bank.

The computation of earnings per share is given below:-

Particulars	March 31, 2023	March 31, 2022
Basic		
Net Profit (₹ in crore)	465.56	287.50
Weighted average number of equity shares outstanding	311,156,253	310,638,511
Basic Earnings per share (₹)	14.96	9.26
Diluted		
Net Profit (₹ in crore)	465.56	287.50
Weighted average number of equity shares outstanding	314,679,498	312,826,393
Diluted Earnings per share (₹)	14.79	9.19
Face value per share (₹)	10.00	10.00

Dilution of equity is on account of 3,523,245 (Previous year 2,187,882) stock options.

11.3 Employees' Stock Option Plan

The Shareholders of the Bank had approved an ESOP plan Phase I in November 2005, enabling the Board and /or the Nomination Committee to grant such number of equity shares and/or equity linked instruments, including options of the Bank not exceeding 4% of the Issued Capital or 60,00,000 Equity Shares of the Bank. The Shareholders, at the Annual General Meeting held on September 11, 2006 had approved an additional 3% of the Issued Capital, aggregating the total Equity Share Capital reserved for all ESOPs to 7% of the Issued Capital from time to time. As the shares of the Bank were subsequently listed, confirmation of shareholders was obtained at the Extraordinary General Meeting held on December 15, 2006 in line with the guidelines of the Securities & Exchange Board of India. Pursuant thereto, during the year the Nomination and Remuneration Committee of the Board did not grant any options.

Under the Employees' Stock Options Plan, options vest in a graded manner over a 5-year period from the date of grant, the details of which are set out below:

End of the Year	For Sub Plan 1			For Sub Plan 2	
	Till August 16, 2010	From August 17, 2010 to December 31, 2020	From January 01, 2021	Till December 31, 2020	From January 01, 2021
1 st	-	-	33.33%	-	33.33%
2 nd	-	30%	33.33%	30%	33.33%
3 rd	40%	30%	33.34%	30%	33.34%
4 th	30%	20%	-	20%	-
5 th	30%	20%	-	20%	-

Method used for accounting for ESOP

RBI, vide its clarification dated August 30, 2021 on Guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff, advised Banks that the fair value of share-linked instruments on the date of grant should be recognised as an expense for all instruments granted after the accounting period ending March 31, 2021. Accordingly, the Bank has valued its stock options granted after March 31, 2021 using the fair value method under its Employee' Stock Options Plan. The fair value of the stock options is estimated on the date of grant using Black-Scholes model and is recognised as employee cost over the vesting period.

Activity in options outstanding under Employees Stock Option Plan.

Particulars	March 31, 2023		March 31, 2022	
	Number of options	Weighted Average Exercise Price	Number of options	Weighted Average Exercise Price
Options outstanding at the beginning of the year	8,651,614	67.43	8,275,840	64.46
Granted during the year	-	-	1,031,524	86.45
Exercised during the year	525,270	54.53	440,350	52.73
Forfeited/Lapsed during the year	205,860	74.61	215,400	74.43
Options outstanding at the end of the year*	7,920,484	68.10	8,651,614	67.43
Options exercisable	6,431,595	66.04	6,077,590	63.21

*Includes NIL (Previous year: 5,000) employee stock options exercised, pending for allotment.

The weighted average share price in respect of options exercised and allotted during the year ended March 31, 2023 is ₹ 109.77 (Previous year ₹ 77.97).

Summary of stock options outstanding as on March 31, 2023 is given below:

Range of exercise price (Rupees per share)	Number of shares arising out of options	Weighted average exercise price (₹)	Weighted average remaining contractual life (Number of years)
₹ 17.00 – ₹ 24.00	400	20.01	0.77
₹ 25.00 – ₹ 109.00	7,396,084	64.39	5.48
₹ 110.00– ₹ 200.00	524,000	120.50	5.38

There were 525,270 stock options exercised during the year ended March 31, 2023.

Summary of stock options outstanding as on March 31, 2022 is given below:

Range of exercise price (Rupees per share)	Number of shares arising out of options	Weighted average exercise price (₹)	Weighted average remaining contractual life (Number of years)
₹ 17.00 – ₹ 24.00	700	19.49	1.37
₹ 25.00 – ₹ 109.00	8,116,804	63.89	6.90
₹ 110.00– ₹ 200.00	534,110	121.41	6.28

There were 440,350 stock options exercised during the year ended March 31, 2022.

Fair value Methodology

The fair value of options used to compute proforma net income and earnings per equity share have been estimated using the binomial option-pricing model for options granted upto March 31, 2021. The Bank estimated the volatility based on the historical share prices.

The fair value of the stock options granted after March 31, 2021 is estimated on the date of grant using Black-Scholes model and is recognised as employee cost over the vesting period. Accordingly, the Bank has recognised ₹ 1.88 crore during the financial year 2022-23 (Previous year ₹ 0.42 crore).

There were no options granted during the year ended March 31, 2023.

The various assumptions considered in the pricing model for ESOPs granted during the year ended March 31, 2022 were:

Particular	March 31, 2022
Dividend Yield	1.16%
Expected Volatility	38.85% to 41.32%
Risk Free Interest Rate	5.47% to 6.15%
Expected life of options	3.77 to 5.77 years

The expected volatility was determined based on historical volatility data; historical volatility includes data since listing.

The weighted average fair value of options granted during the year ended March 31, 2022 was ₹ 33.49.

In computing the above information, certain estimates/assumptions have been made by the Bank's management which have been relied upon by the auditors.

Impact of Fair Value Method on Net Profit and EPS

Had the compensation cost for the Bank's stock option plans on outstanding ESOPs granted upto March 31, 2021 been determined based on the fair value approach, the Bank's net profit and earnings per share would have been as per the proforma amounts indicated below:

(₹ in crore)

Particular	March 31, 2023	March 31, 2022
Net Profit (as reported)	465.56	287.50
Add: Stock based compensation expense accounted	(0.01)	(0.01)
	465.55	287.49
Less: Stock based compensation expense determined under fair value based method (proforma)	0.67	1.26
Net Profit (proforma)	464.88	286.23

Particular	March 31, 2023	March 31, 2022
Basic earnings per share (as reported)	14.96	9.26
Basic earnings per share (proforma)	14.94	9.21
Diluted earnings per share (as reported)	14.79	9.19
Diluted earnings per share (proforma)	14.77	9.15

11.4 Introduction of Cash Settled Stock Appreciation Rights (CSARs)

The Bank has adopted CSAR as an instrument under the aegis of the compensation policy. This is in addition to the ESOP Plan of the Bank. Both the instruments are considered under non-cash components for variable pay in the Bank. The Board has vide its resolution dated September 17, 2022 approved the Plan envisaging Grant of not exceeding 10,000,000 CSARs to Employees in one or more tranches, from time to time, with each such CSAR conferring a right upon the CSAR Grantee to receive Appreciation as per terms of the Plan and grants made under the Plan.

The maximum number of CSARs that may be granted to an eligible Employee and in aggregate under the Plan shall vary depending upon the designation, role, criticality and the appraisal process. However, the maximum number of CSARs granted per employee shall not exceed 3,000,000 CSARs at any time under the Plan.

CSAR granted under the Plan would vest subject to minimum Vesting Period of 1 year but not later than the maximum Vesting Period of 4 years from the Grant Date of such CSARs. Subject to the minimum and maximum Vesting Periods stated above and provisions of acceptance of the grant, the Committee shall prescribe the Vesting schedule of CSARs granted under the Plan. Vesting shall be no faster than on a pro rata basis (i.e. vesting shall not be front loaded). Additionally, vesting shall not take place more frequently than on a yearly basis.

Particulars	CSAR Plan 2022 ('The Plan')
Date of Board Approval	September 17, 2022
Total number of units approved under the Plan	10,000,000
Vesting Requirements	CSARs shall vest any time after expiry of 1 year from the date of grant as may be determined in the grant letter
CSAR Grant Series	CSARGRANT2022-1
SAR price or pricing formula	Appreciation shall be computed by multiplying the total number of vested CSAR with appreciation per CSAR as per the grant series subject to cap on appreciation.
Maximum term of SAR granted	Vesting period of upto 4.6 years from the grant date
Method of Settlement (cash or equity)	Cash
Method used to account for SAR – Intrinsic or Fair	Fair value based on Black Scholes
Number of SARs outstanding at the beginning of the year	NIL
Number of SARs granted during the year	1,170,786

The Bank introduced the CSAR scheme (CSARGRANT2022-1) under the Board approved DCB Bank CSAR Plan 2022 which was approved vide its resolution dated September 17, 2022.

The Board has approved a CSAR grant of 1,170,786 units on October 15, 2022.

Method used for accounting for CSARs

The Bank has valued its CSARs units using the fair value method under its CSAR Plan. The fair value of the CSARs units is estimated on the date of grant using Black-Scholes model and is recognised as employee cost over the vesting period with a recognition of corresponding liability. This liability is remeasured at each balance sheet date up to and including the vesting date with changes in fair value recognised in the profit and loss account in 'Payments to and Provision for Employees'.

Fair value Methodology

There were 1,170,786 units granted during the year ended March 31, 2023. The Bank has recognised ₹ 1.11 crore during the financial year 2023.

The various assumptions considered in the pricing model for CSARs units granted during the year ended March 31, 2023 were:

Particular	March 31, 2023
Dividend Yield	1.03%
Expected Volatility	35.05% to 42.97%
Risk Free Interest Rate	6.76% to 7.24%
Expected life of units	1.50 to 3.50 years

The weighted average fair value of CSARs units granted during the year ended March 31, 2023 was ₹ 28.55.

In computing the above information, certain estimates/assumptions have been made by the Bank's management which have been relied upon by the auditors.

11.5 Segment Information

Part A: Business Segments

(₹ in crore)

Business Segments	Treasury Operations		Corporate / Wholesale Banking		Retail Banking		Other Banking Operations		Total	
Particulars	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Revenue	1,038.16	918.40	428.17	350.14	3,869.52	3,247.05	57.87	46.00	5,393.72	4,561.59
Unallocated Revenue									2.39	(0.24)
Total Revenue¹									5,396.11	4,561.35
Result	69.51	112.69	24.23	4.56	490.12	242.56	57.19	43.63	641.05	403.44
Unallocated Result									(13.49)	(13.89)
Total									627.56	389.55
Unallocated expenses									-	-
Operating profit									786.73	796.98
Income taxes									(162.00)	(102.05)
Extraordinary profit / loss	-	-	-	-	-	-	-	-	-	-
Net profit									465.56	287.50
Other Information										
Segment assets	16,173.79	14,045.37	4,249.14	3,797.23	31,484.94	26,493.55	-	-	51,907.87	44,336.15
Unallocated assets									458.00	456.41
Total assets									52,365.87	44,792.56
Segment liabilities	8,374.71	7,577.58	4,039.02	2,811.62	35,383.30	30,352.70	0.01	0.69	47,797.04	40,742.59
Unallocated liabilities ²									4,568.83	4,049.97
Total liabilities									52,365.87	44,792.56
Capital Expenditure	0.19	0.17	1.76	1.23	161.06	95.78	-	-	163.01	97.18
Unallocable									12.73	7.48
Total Capital Expenditure									175.74	104.66
Depreciation	1.25	1.16	0.83	0.80	73.08	60.57	-	-	75.16	62.53
Unallocable									1.86	1.18
Total Depreciation									77.01	63.71
Non Cash Expenses ³	(4.79)	12.47	41.65	66.95	123.96	325.97	-	-	160.82	405.39
Unallocable									15.16	12.92
Total Non Cash Expenses									175.98	418.31

1. Revenue i.e. Total Revenue includes inter-segment revenue of ₹ 786.45 crore in FY 2022-23 (Previous year ₹ 596.54 crore). Inter-segment revenue represents the transfer price received from and paid to the treasury unit respectively. Excluding this, the revenue for the Bank is ₹ 4,609.66 crore in FY 2022-23 (Previous year: ₹ 3,964.81 crore).
2. Includes Capital and Reserves.
3. Excluding depreciation and provision for taxes.
4. Income, expense, assets and liabilities have been either specifically identified with individual segment or allocated to segments on a systematic basis or classified as unallocated.
5. Inter-segment transactions have been generally based on transfer pricing measures as determined by the Management.
6. The RBI vide its circular dated April 07, 2022 on establishment of Digital Banking Units (DBUs), has prescribed reporting of Digital Banking Segment as a sub-segment of Retail Banking Segment. The Bank does not have any DBUs, hence no Digital Banking Segment disclosures have been made.

Part B: Geographic Segments

The Bank does not have overseas branches and the operations are entirely domestic. Therefore, no separate reporting is done based on geographic segments.

11.6 Related Party Transactions

Related Parties in terms of AS-18 on "Related Party Disclosures" are disclosed below:

Mr. Murali M. Natrajan : Key Management Personnel

The details of managerial remuneration of the Key Management Personnel of the Bank are as under:

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022
Mr. Murali M. Natrajan: Managing Director Managerial Remuneration	4.42	5.61

RBI has approved variable pay of ₹ 75,00,000 for FY 2021-22 to be paid in accordance to RBI guidelines and Compensation policy of the Bank.

Managerial Remuneration excludes the perquisite value of employee stock options exercised and other perquisites are considered as per Income Tax Act.

11.7 Deferred Tax

The composition of Deferred Tax Assets (DTA) and Deferred Tax Liabilities (DTL) is as under:

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
A.	DTA :		
	(i) Provision for Loan Losses (minus deduction u/s 36(1) (viiia) of the Income Tax Act, 1961)	219.07*	277.14
	(ii) Others	0.32	4.28
	Total DTA [A]	219.39	281.42
B.	DTL :		
	(i) Depreciation	15.61	13.27
	(ii) Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961	43.79*	38.16
	(iii) Others	-	-
	Total DTL [B]	59.40	51.43
C.	NET DTA [A - B]	159.99*	229.99

*Adjustment made for earlier period deferred tax assets and liabilities.

11.8 Assets Taken Under Operating Leases

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022
Minimum Lease Rent payable		
Payable not later than 1 year	68.02	55.50
Payable later than 1 year but not later than 5 years	249.49	195.85
Payable later than 5 years	504.85	316.63
Total	822.36	567.98
The total of lease payments recognised in the Profit and Loss Account for the year	70.99	57.04

The lease rents are paid by the Bank for premises leased for its business operations. The above contingent rents have been determined based on terms of individual lease agreements over the lease period. 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.

11.9 Revaluation of Fixed Assets

The Bank revalued its owned premises as at December 31, 2022 which resulted in a revaluation gain of ₹ 78.10 crore which has been credited to Revaluation Reserve as at that date. The Bank computes depreciation on such revalued premises over its estimated remaining useful life.

During the financial year 2022-23 an amount of ₹ 6.51 crore (Previous year: ₹ 6.03 crore) has been charged to the Profit and Loss Account and this amount has been transferred from Revaluation Reserve to "Balance in Profit and Loss Account".

11.10 Contingent Liabilities

Description of Contingent Liabilities:

Sr. No.	Contingent Liability (*)	Brief Description
1.	Claim against the Bank not acknowledged as Debts	An amount of ₹ 34.79 crore (Previous year: ₹ 35.49 crore) is outstanding as at March 31, 2023, as claims against the Bank not acknowledged as Debts, including ₹ 19.50 crore (Previous year: ₹ 19.50 crore) being in the nature of a contingent liability on account of proceedings pending with Income Tax authorities. The Bank is a party to various taxation matters in respect of which appeals are pending and various legal proceedings in the normal course of business. The Bank has reviewed and classified these items as possible obligations based on legal opinion/judicial precedents/assessment and does not expect the outcome of these proceedings to have a materially adverse effect on the Bank's Financial Statements. (Also refer note 15 on pending litigation cases)
2.	Liability on account of outstanding forward exchange and derivative contracts	An amount of ₹ 3,441.63 crore (Previous year: ₹ 1,778.27 crore) is outstanding as at March 31, 2023. The Bank enters into foreign exchange contracts, currency options/swaps and interest rate futures 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. These forward contracts are subject to revaluation on a daily basis and Mark to Market impact is recognised in the Financial Statements. 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. The amount in contingent liability represents notional principal amount of various financial instruments which the bank undertakes in its normal course of business. With respect to transactions entered by customers, the Bank generally takes off-setting positions in the inter-bank markets which results into higher number of outstanding contracts. The same also leads to representation of large gross notional principal of the portfolio, while the actual credit/market risk is much smaller.
3.	Guarantees given on behalf of constituents, Acceptances, Endorsements and Others	An amount of ₹ 1,430.59 crore (Previous year: ₹ 1,409.65 crore) is outstanding as at March 31, 2023. As part of its commercial banking activity, the Bank issues documentary credit and guarantees on behalf of its customers. Guarantees generally represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfil its financial or performance obligations.
4.	Other items for which the Bank is contingently liable.	An amount of ₹ 190.64 crore (Previous year: ₹ 1,838.68 crore) is outstanding as at March 31, 2023. These include: a) Securities purchased and sold under Repo and Reverse Repo transactions done by the Bank and includes also remaining to be settled on the date of financial statements b) Liability in respect of capital commitments relating to fixed assets and undrawn commitments in respect of investments c) Credit enhancements relating to the sale of mortgage loan d) Amount transferred to RBI under Depositor Education and Awareness Fund (DEA Fund) e) Securities bought/sold and remaining to be settled on the date of financial statements.

* Also refer Schedule - 12.

12 Additional Disclosures

12.1 Details of “Provisions & Contingencies” debited to the Profit and Loss Account

(₹ in 000's)

Particulars	March 31, 2023	March 31, 2022
Provision for Income Tax		
- Current	1,522,145	1,760,503
- Deferred (Refer note 11.7)	97,845	(740,050)
Provision/write-off towards non-performing assets	1,626,671	2,840,824
Floating Provision	151,579	129,212
Provision for Standard Assets*	(474,327)	864,521
Sacrifice in One Time Settlement	217,715	55,492
Provision for Other Assets and Contingencies	121,107	12,380
Provisions for Restructured Advances	(50,987)	171,898
Total	3,211,748	5,094,780

* includes provision for unhedged foreign currency exposure and provision for specific standard assets.

12.2 Depositor Education and Awareness Fund (DEA Fund)

In accordance with the guidelines issued by the RBI, the Bank transfers the amount to the credit of any account which has not been operated upon for a period of ten years or any deposit or any amount remaining unclaimed for more than ten years to the DEA Fund.

Details of amounts transferred to DEAF are set out below:

(₹ in crore)

Particulars	March 31, 2023	March 31, 2022
Opening balance of amounts transferred to DEA Fund	61.63	55.28
Add : Amounts transferred to DEA Fund during the year	11.53	7.21
Less : Amounts reimbursed by DEA Fund towards claims	2.78	0.86
Closing balance of amounts transferred to DEA Fund	70.38	61.63

12.3 Customer Complaints+

a) Summary information on complaints received by the bank from customers and from the Offices of Ombudsman

Sr. Particulars No	March 31, 2023	March 31, 2022
Complaints received by the bank from its customers		
1 Number of complaints pending at beginning of the year	575	2,282
2 Number of complaints received during the year	29,797	32,603
3. Number of complaints disposed during the year	29,929	34,310
3.1 Of which, number of complaints rejected by the bank	736	913
4. Number of complaints pending at the end of the year	443	575
Maintainable complaints received by the bank from Office of Ombudsman		
5. Number of maintainable complaints received by the bank from Office of Ombudsman	452	554
5.1 Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman	452	554
5.2 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	24	20
5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the bank	0	0
6. Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

+ As compiled by the Management and relied upon by the auditors.

b) Top grounds of complaints received by bank from customers+

Financial Year 2022-23

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Loans and Advances	224	11,029	-1%	210	20
(a) Rate of Interest/EMI/ Tenure					
Disputes					
(b) Document not received					
(c) Others					

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
ATM/Debit Cards	148	6,762	-22%	87	1
(a) Card not working					
(b) Cash not dispensed at other ATMs					
(c) Others					
Internet/Mobile/Electronic Banking	48	4,183	-2%	42	5
(a) Payment gateway transaction disputes					
(b) Internet Banking login/password issues					
(c) Others					
Account opening/difficulty in operation of accounts	44	4,150	-10%	33	1
(a) Transactions submitted at branches					
(b) Instruction updates					
(c) Others					
Para-banking	61	988	-25%	30	1
(a) Policy documents not received (Loans related)					
(b) Policy Cancellation (Health/Life Insurance)					
(c) Others					

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Mis-selling	7	363	-34%	19	0
(a) Information related wrt gold loan					
(b) Information related wrt Mortgage Loan					
(c) Others					
Others	43	2,322	18%	22	8
(a) SMS/E-mail alerts sent but not received					
(b) Charges related disputes					
Total	575	29,797	-9%	443	36

Financial Year 2021-22

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Loans and Advances	942	11,175	16%	224	9
(a) Rate of Interest/EMI/ Tenure Disputes					
(b) Document not received					
(c) Others					
ATM/Debit Cards	240	8,693	-7%	148	2
(a) Card not working					
(b) Cash not dispensed at other ATMs					
(c) Others					

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Internet/Mobile/Electronic Banking	264	4,282	-23%	48	1
(a) Payment gateway transaction disputes					
(b) Internet Banking login/password issues					
(c) Others					
Account opening/difficulty in operation of accounts	418	4,619	-9%	44	1
(a) Transactions submitted at branches					
(b) Instruction updates					
(c) Others					
Para-banking	178	1,316	111%	61	9
(a) Policy documents not received (Loans related)					
(b) Policy cancellation (Health/Life Insurance)					
(c) Others					
Mis-selling	55	551	32%	7	1
(a) Information related wrt gold loan					
(b) Information related wrt Mortgage Loan					
(c) Others					
Others	185	1,967	-30%	43	7

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
(a) SMS/E-mail alerts sent but not received					
(b) Charges related disputes					
Total	2,282	32,603	-3%	575	30

The Bank has an “Integrated Complaints Management System” in which complaints are logged and addressed. Complaints are reviewed on a regular basis to ensure timely response to customers.

The Bank has taken measures to reduce complaints across categories (reduced by 9%). The Bank has developed systems in order to make customer interface services automated/system driven. The Bank shall continue to improve processes in order to bring in faster resolutions and efficiency.

+ As compiled by the Management and relied upon by the auditors.

12.4 Letters of Comfort (LoC) / Letters of Undertaking (LoU)

The Bank has stopped issuing any fresh LoU in line with the RBI guidelines dated March 13, 2018 in this regard. Outstanding LoU as on March 31, 2023 was ₹ NIL (Previous year: ₹ NIL).

12.5 Small and Micro Industries

Under the Micro, Small and Medium Enterprises Development Act, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments. The above is based on the information available with the Bank which has been relied upon by the auditors.

12.6 Priority Sector Lending Certificates (‘PSLCs’) (Category-wise) sold and purchased during the year

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
PSLC purchased during the year		
(i) PSLC – Agriculture	-	-
(ii) PSLC – SF/MF	130.00	-
(iii) PSLC – Micro Enterprises	-	-
(iv) PSLC – General	-	-
Total	130.00	-
PSLC sold during the year		
(i) PSLC – Agriculture	-	-
(ii) PSLC – SF/MF	-	-
(iii) PSLC – Micro Enterprises	3,651.00	3,646.25
(iv) PSLC – General	500.00	1,950.00
Total	4,151.00	5,596.25

12.7 Income from Bancassurance Business

(₹ in crore)

Sr. No.	Nature of Income	March 31, 2023	March 31, 2022
1	For selling life insurance policies	41.06	33.15
2	For selling non-life insurance policies	11.37	7.69
3	For selling mutual fund products	0.80	1.07
	Total	53.24	41.91

12.8 Income from Marketing and distribution

The Bank has received fees of ₹ 47.54 crores (Previous year: ₹ 31.39 crore) with respect to marketing and distribution function (excluding bancassurance business) during the financial year 2022-23.

12.9 Implementation of IFRS converged Indian Accounting Standards (Ind AS)

The Ministry of Corporate Affairs (MCA), Government of India has notified the Companies (Indian Accounting Standards) Rules, 2015 on February 16, 2015. Further, a Press Release was issued by the MCA on January 18, 2016 outlining the roadmap for implementation of Indian Accounting Standards (IND AS) converged with International Financial Reporting Standards (IFRS) for banks. As per earlier instructions, banks in India were required to comply with the IND AS for financial statements for accounting periods beginning from April 1, 2018 onwards, with comparatives for the periods ending March 31, 2018 or thereafter. On April 05, 2018, the RBI had announced deferment of implementation date by one year with IND AS being applicable to banks for accounting periods beginning April 01, 2019 onwards. On March 22, 2019, the RBI has announced deferment of the implementation of IND AS by banks till further notice.

12.10 Payment of DICGC Insurance Premium

(₹ in crore)

Sr. No.	Particulars	March 31, 2023	March 31, 2022
1.	Payment of DICGC Insurance Premium	39.17*	34.26*
2.	Arrears in payment of DICGC premium	NIL	NIL

*Excluding Goods and Service Tax

13 OTHER MATTERS**13.1 Disclosure of penalties imposed by RBI**

During the year ended March 31, 2023, RBI had imposed penalty of ₹ 0.024 crore on the Bank, for violation of the RBI guidelines on "Monitoring of Availability of Cash in ATMs," on account of "Cash Out", at Banks ATM throughout the FY 2022-23.

During the year ended March 31, 2022, RBI had imposed penalty of ₹ 0.001 crore on the Bank on March 30, 2022, for violation of the RBI guidelines on "Monitoring of Availability of Cash in ATMs," on account of "Cash Out", at one of Banks ATM during the month of November 2021.

13.2 Corporate Social Responsibility (CSR)

The Bank was required to spend ₹ 8.80 crore (Previous year: ₹ 9.60 crore) during the financial year 2022-23 towards Corporate Social Responsibility (CSR), in accordance with Companies Act, 2013.

The Bank has spent an amount of ₹ 8.85 crore (Previous year: ₹ 9.66 crore) in respect of CSR activities across the country.

None of the CSR expenditure incurred by the Bank is to entities controlled by related parties identified by the Bank as per Accounting Standard 18, Related Party Disclosures.

The details of amount spent during FY 2022-23 towards CSR are as under:

(₹ in crore)

Particulars	In cash	Yet to be paid in cash (i.e. provision)	Total
1) Construction/acquisition of any assets	-	-	-
2) For purposes other than (1) above:	8.85	-	8.85

The details of amount spent during FY 2020-21 towards CSR are as under:

(₹ in crore)

Particulars	In cash	Yet to be paid in cash (i.e. provision)	Total
1) Construction/acquisition of any assets	-	-	-
2) For purposes other than (1) above:	9.66	-	9.66

13.3 Remuneration

a) Qualitative disclosures

Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee of the Board consists of Independent Directors with one member from the Risk Management Committee of the Board.

The main mandate of the Nomination & Remuneration Committee of the Board are:

- Deciding the size and composition of the Board and appointment of persons for the same.
- Recommending to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- Evaluation of every director's performance and making recommendations for remuneration for Non-Executive Directors, Senior Management and the Key Managerial Personnel (KMP) of the Bank.
- Approving the ESOP and creation, subscription and allotment of shares to the eligible employees under this approved ESOP.
- Review appointments, promotions, demotions, terminations and review performance appraisals of CEO, KMP and Senior Management of the Bank.
- Review and approve succession plans Board, KMP and Senior Management.

Design and Structure /Objectives of Compensation Policy

The Bank has put in place a Board approved Compensation Policy. The Bank's objective is to maintain a Compensation Policy that the Bank is able to attract, retain talent and motivate talent to perform at high standards. It facilitates a performance culture in the Bank. The compensation will be risk aligned taking into account, the long term performance of the Bank. The Compensation Policy is aligned with the statutory and regulatory guidelines.

This Policy is applicable to all employees of the Bank including;

- Whole Time Directors (WTDs)
- Managing Director & Chief Executive Officer (MD & CEO)
- Material Risk Takers (MRTs): Material Risk Takers as defined as those employees whose actions have a material impact on the risk exposure of the Bank.
- Risk, Compliance and Control employees
- Other categories of employees: All employees in support and other management functions including front line employees.

Compensation structure consisting of:

- i) fixed pay including perquisites, contributions towards superannuation/retiral benefits,
- ii) variable pay in cash and equity linked instruments including ESOP/ CSARs.

Risk adjustments in remuneration

In general, the review of Risk Management framework shall be an integral part of the annual performance review applicable to all employees. The methodologies for adjusting remuneration to risk and performance will be consistent with the general risk management and corporate governance framework of the Bank. A wide variety of measures of credit, market, liquidity and other risks shall be taken into consideration in implementation of risk adjustment, such that no risks over the accepted risk appetite of the Bank are being taken against the interest of the Bank.

Performance linked variable compensation

The Bank aims to align pay structure across levels in the annual rewards exercise (Compensation Revision) carried out keeping the following considerations, namely performance of the bank, individual and business unit, alignment of risks with the remuneration, encouraging rewards based on the long term contributions to the bank, cost/ income ratio of the bank, capital adequacy ratio, employee turnover on account of increased demand of talent in the industry and other related factors.

Malus/ Clawback clause is an integral part of the compensation Policy and is applicable as a risk adjustment/ alignment measure, wherein Malus permits the Bank to prevent vesting in full or in part of the amount of a deferred remuneration for an employee. Clawback is an agreement between the employee and the Bank in which the employee agrees to return previously paid or vested remuneration to the Bank. Conditions for Malus/ Bank have been specified in the Bank's Compensation Policy.

In alignment to the RBI Guidelines applicable from April 01, 2020, the Bank has a policy on deferral and vesting of variable pay for applicable categories of employees as follows:

Deferral of Variable Pay: A minimum of 60% of the total variable pay shall be under deferral arrangements. At least 50% of the cash bonus shall be deferred. However, in cases where the cash component of variable pay is under ₹ 25 lakhs, deferral would not be required.

Period of Deferral Arrangement: This would be applied to both the cash and equity linked components of the variable pay. The deferral period shall be for a minimum period of three years.

Vesting: The vesting shall be no faster than on pro-rata basis. Vesting shall not take place more frequently than on a yearly basis to ensure a proper assessment of risks before the application of any adjustments.

Limit on Variable pay: At least 50% of the total compensation shall be variable. Variable pay shall be limited to a maximum of 300% of the fixed pay. Where the variable pay is up to 200% of the fixed pay, a minimum of 50% of the variable pay shall be via equity linked instruments; and in case the variable pay is above 200%, a minimum of 67% of the variable pay shall be via equity linked instruments. In an event that an employee is barred by statute/ regulation from grant of equity linked instruments, their variable pay shall be capped at 150% of the fixed pay.

b) Quantitative disclosures

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
(a)	Number of meetings held by the Nomination and Remuneration Committee during the financial year	7	7
(b)	Remuneration paid to the members of the Nomination and Remuneration Committee	0.13	0.13
(c)	Number of employees having received a variable remuneration award during the financial year (as per compensation policy)	8*	7*
(d)	Number and total amount of sign-on awards made during the financial year	NIL	NIL
(e)	Details of guaranteed bonus, if any, paid as joining / sign on bonus	NIL	NIL
(f)	Details of severance pay, in addition to accrued benefits, if any	NIL	NIL
(g)	Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms	Cash 3.11 Share linked instruments 3.15** (fair value of 11,04,776 units)	Cash 2.04 Share linked instruments 3.30** (fair value of 984,629 options)
(h)	Total amount of deferred remuneration paid out in the financial year	0.94	0.99
(i)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred*	Fixed 14.59# Variable -Deferred 7.18* Cash 2.015 Share linked instruments 3.15** -Non Deferred 2.015 CSAR grant of 11,04,776 units	Fixed 15.01 Variable -Deferred 6.60* Cash 1.65 Share linked instruments 3.30** -Non Deferred 1.65 No. of stock options granted during the financial year - 984,629
(j)	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and / or implicit adjustment	9.56	5.34
(k)	Total amount of reductions during the financial year due to ex-post explicit adjustments	NIL	NIL
(l)	Total amount of reductions during the financial year due to ex-post implicit adjustment	NIL	NIL
(m)	Number of MRTs identified	8	8
(n)	Number of cases where malus has been exercised	NIL	NIL
(o)	Number of cases where clawback has been exercised	NIL	NIL
(p)	Number of cases where both malus and clawback have been exercised	NIL	NIL
(q)	The mean pay for the bank as a whole (excluding sub-staff)	0.064	0.062
(r)	The deviation of the pay of each of its WTDs from the mean pay.	4.36	5.55

* Pertains to FY 2021-22 paid in FY 2022-23 (Previous year: pertains to FY 2020-21 paid in FY 2021-22)

** Fair value computed using Black-Scholes options pricing model as on the grant date.

One MRT Superannuated on June 30, 2022 and new MRT on boarded on July 01, 2022 accordingly the remuneration has been considered. Fixed remuneration Includes Fixed CTC and Perquisites.

RBI has approved variable pay of Rs. 75,00,000 for Managing Director & CEO for FY 21-22, applicable payment has been released in the month of April 2023 in line with RBI guidelines.

13.4 Disclosure on remuneration to Non-Executive Directors

The Non-Executive Directors are paid remuneration by way of sitting fees for attending meetings of the Board and its committees. An amount of ₹ 1.40 crore (Previous year: ₹ 1.31 crore) was paid as sitting fees to the Non-Executive Directors during the year.

13.5 Proposed Dividend

The Board of Directors have recommended a dividend of ₹ 1.25 per share (12.5%) for the year ended March 31, 2023 subject to approval of the shareholders in the ensuing Annual General Meeting.

Dividend paid during the year, represents dividend (₹ 1.00 per equity share) for the year ended March 31, 2022 paid pursuant to approval of shareholders at Annual General Meeting held on June 22, 2022

13.6 Disclosure under Rule 11(e) of the Companies (Audit & Auditors) Rules, 2014

The Bank, as part of its normal business, grants loans and advances (including loans against third party deposits or other margins / security), makes investment, provides guarantees (including against margin / guarantees received from third parties / banks) to and accepts deposits and borrowings from its customers, other entities and persons. These transactions are part of Bank's normal banking finance business, which is conducted ensuring adherence to regulatory requirements.

Other than the transactions described above

- (a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in other persons or entities identified by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or like on behalf of the Ultimate Beneficiaries.
- (b) The Bank has not received any funds from any person(s) or entity(ies) ("Funding Party") with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

13.7 As per the MCA notification dated August 05, 2022 Government has notified the Companies (Accounts) Fourth Amendment Rules, 2022. As per the amended rules back-up of the books of account/other books & papers maintained in electronic mode, including at a place outside India, shall be kept in servers physically located in India on a daily basis.

The Bank's servers are physically located in India and back up is done on a daily basis. Thus the Bank is compliant with the requirements of the above notification.

13.8 The MCA vide its notification dated March 24, 2021 had introduced the concept of audit trails by inserting proviso to rule 3(1) of the Companies (Accounts) Rules, 2014. It was provided that for the F.Y. commencing on or after April 01, 2021, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. However, the applicability was deferred by 1 year by amending the same vide Companies (Accounts) Second Amendment Rules, 2021. The new date of applicability was April 01, 2022. Yet again, the MCA has amended the proviso vide Companies (Accounts) Second Amendment Rules, 2022 and has deferred the applicability by 1 more year. Hence the provision of audit trail is now applicable w.e.f. April 01, 2023.

The Bank uses various software as its accounting software and the management has taken steps to be compliant with requirements of Audit trail functionality from April 01, 2023.

- 14** Net overnight open position outstanding as on March 31, 2023 was ₹ 3.15 crore (Previous year: ₹ 2.56 crore).
- 15** The Bank's pending litigations comprise of claims against the Bank by the clients and proceedings pending with Income Tax authorities. The Bank has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Management believes that the possibility of an outflow of resources embodying economic benefits in these cases is possible but not probable and hence no provision is required in these cases. However, a contingent liability has been disclosed with respect to these cases. Refer note 11.10 for details on contingent liabilities.
- 16** The Bank has a process whereby periodically all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. The Bank reviews and ensures that adequate provision as required under any law / accounting standards for material foreseeable losses on such long-term contracts (including derivative contracts) has been made in the books of account. There were no such contracts for which there were any material foreseeable losses for the year ended March 31, 2023.
- 17** Previous year's figures have been regrouped / reclassified, wherever considered necessary, in order to make them comparable with figures for the current year.
- 18** These are the notes appended to and forming part of the financial statements for the year ended March 31, 2023.

For and on behalf of the Board of Directors

Murali M. Natrajan

MD & CEO
DIN-00061194

Farokh Subedar

Chairman
DIN-00028428

Thiyagarajan Kumar

Director
DIN- 00735914

Satish Gundewar

Chief Financial Officer

Rubi Chaturvedi

Company Secretary

As per our report of even date.

For **S. R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants
Firm Registration Number: 101049W/E300004

For **SUNDARAM & SRINIVASAN**

Chartered Accountants
Firm Registration Number: 004207S

Sarvesh Warty

Partner
Membership No. : 121411

S Ramkumar

Partner
Membership No. : 238820

Place : Mumbai

Date : May 05, 2023

Place : Mumbai

Date : May 05, 2023

PILLAR III DISCLOSURES UNDER THE NEW CAPITAL ADEQUACY FRAMEWORK (BASEL III)

1. SCOPE OF APPLICATION

DCB Bank Ltd. is a scheduled commercial bank which was incorporated on May 31, 1995. The Bank has no subsidiaries.

As on March 31, 2023, the Bank does not have investment in any insurance entity.

2. CAPITAL STRUCTURE

Capital funds are classified into Tier-I and Tier-II capital under the capital adequacy framework.

Tier-I Capital

The Bank's Tier I capital will consist of Common Equity Tier I and Additional Tier I capital. Common Equity Tier 1 (CET1) capital must be at least 5.5% of risk-weighted assets (RWAs) i.e. for credit risk + market risk + operational risk on an ongoing basis and Additional Tier I capital can be a maximum of 1.5%, thus making total Tier I capital to be at least 7%.

In addition to the minimum Common Equity Tier 1 capital of 5.5% of RWAs, banks are also required to maintain a capital conservation buffer (CCB) of 2.5% of RWAs in the form of Common Equity Tier 1 capital.

Tier-I capital includes paid-up equity capital, securities premium, statutory reserves, capital reserves, special reserve, revaluation reserve, other disclosed free reserves and balance in Profit and Loss account. Profits in current financial year may be included in Tier I based on fulfilment of certain conditions regarding incremental provisions for non-performing assets.

Equity Capital

The Bank has authorised share capital of ₹ 5 billion comprising 500,000,000 equity shares of ₹ 10/- each. As on March 31, 2023 the Bank has issued subscribed and paid-up capital of ₹ 3.12 billion, constituting 311,501,733 shares of ₹ 10/- each. The provisions of the Companies Act, 2013 and other applicable laws and regulations govern the rights and obligations of the equity share capital of the Bank.

Tier-II Capital

The Bank's Tier II capital includes investment reserve, investment fluctuation reserve, general provision for standard assets and subordinated debt instruments (lower Tier II bonds) eligible for inclusion in Tier II capital.

Subordinated Debt (Lower Tier II bonds)

As on March 31, 2023 the Bank had an outstanding subordinated debt (Unsecured Redeemable Non-Convertible Bonds) aggregating ₹ 3,000 million, the details of which are stated below:

(₹ million)

Deemed Date of Allotment	Coupon Rate (% p.a.)	Tenure (in months)	Equivalent Amount as on March 31, 2023
28 March 2023	9.35%	120	3,000.0
Total			3,000.0

Composition of Capital – Tier I and Tier II

(₹ million)

Particulars	As on March 31, 2023
1. Tier I capital	
1.1 Paid-up share capital	3,115.0
1.2 Reserves	39,903.4
1.3 Gross Tier I capital (1.1 + 1.2)	43,018.4
1.4 Deductions	175.4
1.5 Total Tier I capital (1.3 - 1.4)	42,843.0
2. Tier II capital	
2.1 Subordinated Debt (Lower Tier II bonds)	3,000.0
2.2 General Provisions	3,689.8
2.3 Gross Tier II capital (2.1 + 2.2)	6,689.8
2.4 Deductions	-
2.5 Total Tier II capital (2.3 - 2.4)	6,689.8
3. Debt capital instruments eligible for inclusion in Upper Tier II capital	
3.1 Total amount outstanding	-
3.2 Of which amount raised during the current year	-
3.3 Amount eligible to be reckoned as capital funds	-

Particulars	As on March 31, 2023
4. Subordinated debt eligible for inclusion in Lower Tier II capital	
4.1 Total amount outstanding	3,000.0
4.2 Of which amount raised during the current year	3,000.0
4.3 Amount eligible to be reckoned as capital funds	3,000.0
5. Other deductions from capital	
5.1 Other deductions from capital	-
6. Total eligible capital	
6.1 Total eligible capital (1.5 + 2.5)	49,532.8

3. CAPITAL ADEQUACY

The Bank has a process for assessing its overall capital adequacy in relation to the Bank's risk profile and a strategy for maintaining its capital levels. The process ensures that the Bank has adequate capital to support all the material risks and an appropriate capital cushion. The Bank identifies, assesses and manages comprehensively all risks that it is exposed to through robust risk management framework, control mechanism and an elaborate process for capital calculation and planning.

The Bank has formalised and implemented a comprehensive Internal Capital Adequacy Assessment Process (ICAAP). The Bank's ICAAP covers the capital management policy of the Bank and also sets the process for assessment of the adequacy of capital to support current and future projections / risks.

The Bank has a structured process for the identification and evaluation of all risks that the Bank faces, which may have an adverse material impact on its financial position. The Bank considers the following risks as material risks it is exposed to in the normal course of its business and therefore, factors these while assessing / planning capital:

- Credit Risk
- Concentration Risk
- Market Risk
- Operational Risk
- Interest Rate Risk in the Banking Book
- Liquidity Risk
- Strategy Risk
- Reputational Risk
- Residual Risk
- Economy risk

The Bank has also implemented a Board approved Stress Testing policy. Stress Testing involves the use of various techniques to assess the Bank's potential vulnerability to extreme but plausible ("stressed") business conditions. Typically, this relates, among other things, to the impact on the Bank's profitability and capital adequacy. Stress Tests are conducted on a quarterly basis on the Bank's on and off balance sheet exposures to test the impact of Credit, Liquidity risk and Interest Rate Risk in the Banking book (IRRBB). The stress test results are put up to the Risk Management Committee (RMC) of the Board on a quarterly basis, for their review and guidance. The Bank periodically assesses and refines its stress tests in an effort to ensure that the stress scenarios capture material risks as well as reflect possible extreme market moves that could arise as a result of market conditions. The stress tests are used in conjunction with the Bank's business plans for the purpose of capital planning in the ICAAP. The Bank has also implemented a Board approved separate Stress Testing Policy / Model for its Securitised portfolio.

In line with the RBI guidelines for implementing the New Capital Adequacy Framework under Basel III, the Bank has successfully migrated to the framework from April 1, 2013. In accordance with the RBI's requirement, the Bank has continued to adopt Standardised Approach (SA) for Credit Risk and Basic Indicator Approach (BIA) for Operational Risk to compute capital as on March 31, 2023. Besides this, the Bank continues to apply the Standardised Duration Approach (SDA) for computing capital requirement for Market Risk. RBI has prescribed banks to maintain a minimum CRAR of 9% with regard to credit risk, market risk and operational risk on an ongoing basis. The total Capital to Risk weighted Assets Ratio (CRAR) as per Basel III guidelines works to 17.55% as on March 31, 2023 (as against minimum regulatory requirement of 11.50%). The Tier I CRAR stands at 15.18% as against RBI's prescription of 9.50%. The Bank has followed the RBI guidelines in force, to arrive at the eligible capital, risk weighted assets and CRAR.

Capital requirements for Credit Risk, Market Risk and Operational Risk:

(₹ million)

Particulars	As on March 31, 2023
1. Capital requirement for Credit Risk	22,159.3
• Portfolio subject to Standardised Approach	21,118.9
• Securitization Exposures	1,040.4
2. Capital requirement for Market Risk	357.2
• Standardised Duration Approach	
o Interest Rate Risk	187.4
o Foreign Exchange Risk (Including gold)	54.0
o Equity Risk	115.8
3. Capital requirement for Operational Risk	2,522.7
• Basic Indicator Approach	2,522.7
Total capital requirements (1 + 2 + 3)	25,039.2
Total capital	49,532.8
CRAR %	17.55 %
Tier-I CRAR %	15.18 %

4. RISK MANAGEMENT FRAMEWORK

The Bank is exposed to various types of risk such as Credit, Market, Operation, Liquidity, Interest Rate, Reputation, Legal and Strategic risk. The Bank has separate and independent Risk Management Department in place which oversees all types of risks in an integrated fashion.

The objective of risk management is to have optimum balance between risk and return. It entails the identification, measurement and management of risks across the various businesses of the Bank. Risk is managed through framework defined in policies approved by the Board of Directors and supported by an independent risk management function which monitors and takes corrective action so that the Bank operates within its risk appetite. The risk management function attempts to anticipate vulnerabilities through quantitative or qualitative examination of the embedded risks in various activities. The Bank continues to focus on refining and improving its risk measurement systems. In addition to ensuring compliance with regulatory requirements, the Bank has developed robust internal systems for assessing capital requirements keeping in view the business objectives.

The Board of Directors (BOD) approves the strategies and policies for Risk Management, based on recommendations of the Risk Management Committee (RMC) of the Board set up to focus upon risk management issues. The RMC reviews various aspects of risk arising from the businesses undertaken by the Bank. Operating level risk committees comprising of senior management viz. Asset Liability Management Committee (ALCO), the Operational Risk Management Committee (ORCO) and the Credit Risk Management Committee (CRMC) oversee specific risk areas. These committees in turn provide inputs for review by the Risk Management Committee (RMC).

4.1 Risk Management Committee (RMC) of the Board:

The Risk Management Committee of the Board is the primary tier to oversee implementation of Board approved strategies and policies, recommend setting up of tolerance limits wherever required, monitor implementation of strategies and policies, as well as adherence to prescribed tolerance limits, etc. The RMC oversees the functioning of Executive Level Committees for risk management. For this purpose, the minutes of the meetings of the Executive Level Committees are placed before RMC regularly. Matters relating to Credit risk are routed through the Credit Committee of Board (CCB) which also approves individual credit exposure in excess of executive delegated lending authority.

4.2 Executive Level Committees:

At Executive Management level, the organisational responsibilities for implementing and monitoring Board approved strategies and policies and adhering to prescribed tolerance limits etc. are as under:

Sr. No.	Executive Level Committee	Focus Area	Chairman
1	Asset Liability Management Committee (ALCO)	All aspects of Market Risk management, monitoring & control	Managing Director & Chief Executive Officer (MD & CEO)
2	Credit Risk Management Committee (CRMC)	All aspects of Credit Risk management, monitoring & control	Managing Director & Chief Executive Officer (MD & CEO)
3	Operational Risk Management Committee (ORCO)	All aspects of Operational Risk management, monitoring & control	Chief Risk Officer (CRO)

All the Executive Level Committees meet at least once in a month. ALCO however meets more frequently depending upon market conditions.



Note: Information Security is a part of Operational Risk – IT and reports to the Chief Risk Officer, who in turn reports to the MD & CEO.

5. CREDIT RISK

5 (a) Credit risk is defined as the possibility of losses associated with diminution in the credit quality of borrowers or counterparties. In a bank's portfolio, losses stem from outright default due to inability or unwillingness of a customer or counterparty to meet commitments in relation to lending, trading, settlement and other financial transactions.

The Bank adopts the definition of 'past due' and 'impaired credits' (for accounting purposes) as defined by Reserve Bank of India under Income Recognition, Asset Classification and Provisioning (IRAC) norms (vide RBI Master Circular dated October 1, 2021).

5.a.i Credit Risk Management:

Credit Risk Management Committee (CRMC) headed by MD & CEO is the top-level functional committee for managing credit risk. The committee is responsible for implementation of Credit Risk Management policy approved by the Bank's Board. The committee considers and takes decision necessary to manage and control credit risk within the overall quantitative prudential limits approved by the Bank's Board. The committee is entrusted

with the responsibilities to formulate standards for presentation of credit proposals, financial covenant, rating standards and benchmarks. The committee also oversees compliance with Pillar 2 requirements under Basel III such as ICAAP and Stress Test.

The Bank has implemented RAM rating model of CRISIL which is being used to assess the credit rating of all business loans exceeding ₹ 10 million. The rating serves as a single point indicator of the diverse counterparty risk for taking credit decision. The rating migration is monitored on regular interval.

The Bank has a well-developed credit monitoring system to monitor the health of the loan accounts and to detect the delinquencies at the initial stage. A separate department independent of the business units is monitoring the transactions in all the Corporate, Agri and Inclusive Banking (AIB), SME and MSME exposures with credit limits exceeding ₹ 10 million with a view to detect any early warning signals.

The Bank adopts an integrated approach to credit risk management, which encompasses:

- Establishment and articulation of corporate priorities
- Institution and inculcation of an appropriate credit culture
- Determination of specific credit risk strategy and profile
- Implementation of appropriate credit risk controls
- Monitoring the effectiveness of credit risk controls..

Though the Bank has implemented the Standardized approach for regulatory capital measurement for credit risk, the necessary steps for implementing Internal Rating Based Approach have been initiated.

5.a.ii Credit Strategy and Risk Profile:

The Bank adopts a credit risk strategy and risk appetite, which is in line with its risk taking ability to ensure conservation and growth of shareholder funds, with a proper balance between risk and reward. Financial resources are allocated to best optimise the risk reward ratio.

There is a clearly articulated definition of acceptable credit risk, based upon:

- Identification of target markets/segments
- Establishing of characteristics of desirable customers within the target market
- Assessing whether adequate resources are available to support the business
- Ensuring that all economic and regulatory requirements are complied with
- Ensuring that the portfolio is consistent with the Bank's strategy and objectives especially in relation to risk concentration, maturity profile and liquidity management.

5.a.iii Credit Risk Controls:

Credit risk controls focus on identification, measuring, monitoring and managing the assumed risks and include:

- A documented credit policy and credit risk management policy
- Approval process with delegated authorities
- Asset quality and risk rating system and its verification
- Effective loan disbursement mechanism to minimise the legal risk
- Effective loan administration to ensure past-due management and bad loan detection
- A loan review mechanism
- Portfolio management tools to manage portfolio risks

Management of credit risk is at three levels:

- Strategic or Portfolio level, so as to ensure that no single event can have a significant adverse impact
- Established credit policy to have a minimum standard for assuming risk
- Reliance on the competence of trained staff to make sound credit decisions..

There is a clear separation in functional responsibilities between:

- Origination and sales
- Credit assessment and approvals
- Post- sanction loan administration and
- Credit Risk Management.

The Bank relies upon formal and conventional risk assessment, viz.:

- The ability and willingness of borrowers to repay
- Dependence primarily on cash flows for repayment with security taken to provide a secondary source of repayment
- Quality of data and analysis thereof forms the basis of assessment and not external reputation or unsubstantiated beliefs
- Rational assessment of probability of default and assessment of 'Worst Case Scenario'
- Transparency and communication of all relevant facts (negative as well as positive) necessary for making an informed credit decision
- Documentation of all assessment, rationale and decisions.

Know Your Customers 'KYC' forms the bedrock of initiating and sustaining any relationship.

The Bank's selection of personnel and systems of rewarding performance is aligned to meet the

Bank's stated key priorities. There is a commitment to training and upgrading of staff skills. Strong 'ownership' of exposures is encouraged, through rewards as well as strong accountability.

5(b) Total gross credit risk exposure as on March 31, 2023:

(₹ million)

Category	Exposure
Fund based ¹	3,79,207.3
Non fund based ²	12,085.8
Total	3,91,293.1

Note:

¹ Fund based credit exposure excludes Cash in hand, Balance with RBI, SLR investments, deposits placed NABARD, SIDBI & NHB, Fixed and Other assets.

² Non-fund based exposure includes outstanding Letter of Credit, Acceptances and Bank Guarantee exposures.

Exposures reported above include limits or outstanding whichever is higher, for other than term loans and NPAs. In case of terms loans and NPAs, the outstanding amount has been considered for this purpose.

5(c) Geographical distribution of exposures as on March 31, 2023:

(₹ million)

Category	Domestic	Overseas
Fund based	3,79,207.3	-
Non fund based	12,085.8	-
Total	3,91,293.1	-

5(d) Industry type distribution of exposures as on March 31, 2023:

(₹ million)

Industry	Fund Based	Non Fund Based	Total
Retail Loans	1,32,210.2	258.1	1,32,468.3
Housing Loans	89,635.2	2.5	89,637.7
Auto Loans	40.6	-	40.6
Personal Loan	256.3	-	256.3
Other Loans (Gold Loans, Loans against deposits & Shares etc.)	41,884.1	255.6	42,139.7
Staff Loans	394.0	-	394.0
Trade	72,713.9	795.9	73,509.8

Industry	Fund Based	Non Fund Based	Total
Trade - Retail	55,793.6	129.5	55,923.1
Trade - Wholesale	16,920.3	666.5	17,586.7
Agriculture	47,726.2	73.6	47,799.8
NBFC	28,698.3	389.8	29,088.1
NBFC - HFC	6,478.0	285.5	6,763.6
NBFC - Investment and Credit Company (AFC)	138.6	0.5	139.0
NBFC - Others	22,081.7	103.8	22,185.5
Miscellaneous Services	26,549.2	192.5	26,741.7
of which Retail Business Loans	18,539.2	-	18,539.2
Construction incl. Residential Housing	21,818.7	2,256.6	24,075.2
Residential Constructions	16,119.7	64.7	16,184.3
Construction Contractors	2,676.6	815.7	3,492.2
Construction Others	3,022.4	1,376.3	4,398.7
Logistics	11,234.1	528.9	11,763.0
Logistics - Transport Operators(includes CV loans)	9,788.1	89.1	9,877.2
Logistics - Others	1,446.0	439.8	1,885.8
Infrastructure (Including Energy, Telecommunications, Water & Sanitation and Social & Commercial Infra)	5,213.3	1,061.8	6,275.1
Textiles	5,866.5	40.8	5,907.3
All Engineering	2,908.2	960.9	3,869.1
Food Processing	3,413.6	367.8	3,781.4
Basic Metal & Metal Products	2,498.1	1,116.9	3,615.0

Industry	Fund Based	Non Fund Based	Total
Real Estate Activities incl. Lease Rent Discounting	3,401.3	55.0	3,456.3
Gems & Jewellery	2,407.8	495.0	2,902.8
Chemical & Chemical Products	2,205.3	21.6	2,226.9
Travels & Tourism	1,651.8	51.9	1,703.7
Other Manufacturing	1,430.9	23.4	1,454.3
Paper & Paper Products	762.1	276.7	1,038.8
Capital Market (including Brokers)	20.0	943.1	963.1
Cement & Cement Products	959.9	2.1	962.0
Wood & Wood Products	950.3	-	950.3
Vehicles, Vehicle Parts & Transport Equipments	768.6	0.1	768.8
IT & related	627.5	119.8	747.2
Mining & Quarrying	729.7	0.0	729.7
Rubber, Plastic & their Products	551.6	32.5	584.2
Renting of equipments	576.6	4.7	581.3
Petroleum, Coal Products & Nuclear fuels	273.5	152.5	426.0
Finance (Others)	79.0	205.3	284.3
Leather & Leather Products	104.9	0.1	105.0
Beverages (Excl. Tea & Coffee) and Tobacco	96.4	-	96.4
Glass & Glassware	56.2	-	56.2
Residual	703.8	1,658.2	2,361.9
Grand Total	3,79,207.3	12,085.8	3,91,293.1

5 (e) Residual contractual maturity breakdown of assets as on March 31, 2023

(₹ million)

Assets	Next Day	2-7 Days	8-14 Days	15-30 days	31 days to 2 months	2 months -3 months	3 Months -6 Months	6 Months -1 Year	1-3 Years	3-5 Years	Above 5 Years	TOTAL
Cash	1,846.3	-	-	-	-	-	-	-	-	-	-	1,846.3
Balance with RBI	1,540.9	531.0	560.5	386.1	624.8	734.0	1,348.3	2,909.4	9,226.4	382.9	215.5	18,459.8
Balances with Other Banks	603.4	2,751.9	-	-	0.1	-	-	2.0	20.9	-	-	3,378.3
Investments	32,178.7	236.7	-	1,240.1	11,461.2	700.0	-	27,186.3	49,437.8	2,024.6	1,359.0	1,25,824.4
Advances	1,946.0	7,213.0	5,122.4	4,788.7	6,279.9	13,746.7	21,286.1	21,040.5	1,01,769.5	38,942.2	1,21,672.3	3,43,807.3
Fixed Assets	-	-	-	-	-	-	-	-	-	-	8,262.7	8,262.7
Other Assets	114.3	84.6	137.3	429.3	1,400.9	410.8	586.7	3,393.7	6,283.1	1,889.5	7,349.5	22,079.7
Total	38,229.6	10,817.2	5,820.2	6,844.2	19,766.9	15,591.5	23,221.1	54,531.9	1,66,737.7	43,239.2	1,38,859.0	5,23,658.5

5 (f) Advances and Provisions:

(₹ million)

Particulars	As on March 31, 2023
(a) Amount of NPAs (Gross)	11,228.4
i. Substandard	4,886.3
ii. Doubtful 1	2,938.7
iii. Doubtful 2	3,306.7
iv. Doubtful 3	96.7
v. Loss	-
(b) Net NPAs	3,569.2
(c) NPA Ratios	
i. Gross NPAs to gross advances (%)	3.19 %
ii. Net NPAs to Net Advances (%)	1.04 %
(d) Movement of NPAs (Gross)	
i. Opening balance (as on March 31, 2022)	12,899.3
ii. Additions during the year	16,984.6
iii. Reductions during the year	18,655.5
iv. Closing balance	11,228.4
(e) Movement of provisions for NPAs (excluding provision on Standard Assets)	
i. Opening balance (as on March 31, 2022)	7,167.0
ii. Provision made during the year	5,792.2
iii. Write-off / write-back of excess provisions	5,300.0
iv. Closing balance	7,659.2
(f) Amount of Non-Performing Investments	-
(g) Amount of provisions held for non-performing investments	-
(h) Movement of depreciation on investments	
i. Opening balance (as on March 31, 2022)	158.0
ii. Add: Provision made during the year	38.4
iii. Less: Write-off/ write-back of excess provision during the year (including depreciation utilised on the sale of securities)	24.3
iv. Closing balance	172.1

6. CREDIT RISK: Disclosures for portfolio subject to the Standardised Approach

- 6 (a)** The Bank has used the ratings of the following domestic external credit rating agencies (arranged in alphabetical order) for the purposes of risk weighting their claims for capital adequacy purposes:
- Acuite Ratings & Research Ltd
 - CARE Ratings Limited
 - CRISIL Limited
 - ICRA Limited
 - India Ratings and Research Private Limited (India Ratings) and
 - Infomerics Valuation and Rating Private Limited

International credit rating agencies (arranged in alphabetical order) for the purposes of risk weighting their claims for capital adequacy purposes where specified:

- Fitch;
- Moody's; and
- Standard & Poor's

6 (b) A description of the process used to transfer public issuer ratings onto comparable assets in the banking book:

- Bank has used short term ratings for assets with maturity upto one year and long-term ratings for assets maturing after one year as accorded by the approved external credit rating agencies.
- Bank has not cherry-picked ratings. Bank has not used one rating of a CRA (Credit Rating Agency) for one exposure and another CRA's rating for another exposure on the same counterparty unless only one rating is available for a given exposure.
- Notwithstanding the repayable on demand condition, cash credit exposures have been subjected to Long-term rating.
- If an issuer has a long term external credit rating that warrants RW (Risk Weight) of 150%, all unrated exposures on the same issuer whether long or short is assigned the same 150% RW unless mitigated by recognised Credit Risk Mitigation (CRM) techniques.
- Bank has used only solicited rating from the recognised CRAs. In case the issuer has multiple ratings from CRAs, the Bank has a policy of choosing (if there are two or more ratings) lower rating.
- Where RW associated with the rating by a CRA

for a specific investment instrument is lower than one corresponding to unrated exposure, but the Bank's exposure is not in that instrument but some other debt, the RW for the rated exposure has been applied to Bank's unrated exposure provided the latter ranks pari-passu or senior to the specific rated exposure and the maturity of Bank's claim is not later than the rated exposure.

- If either the issuer or a single issue has been rated warranting RW equal or higher than unrated claim, a claim on the same issuer which is unrated but ranks pari-passu or subordinate to the rated exposure has been assigned the same RW as applicable to the rated exposure.
- No recognition of CRM technique has been taken into account in respect of a rated exposure if that has already been factored by the CRA while carrying out the rating.

For exposure amounts after risk mitigation subject to the standardised approach, amount of a Bank's outstanding (rated and unrated) in the following three major risk buckets as well as those that are deducted as on March 31, 2023 are as follows:

(₹ million)

Particulars	Fund based	Non fund based
Below 100% risk weight	2,64,766.4	5,915.2
100% risk weight	90,951.4	2,903.7
More than 100% risk weight	23,489.5	3,266.9
Total	3,79,207.3	12,085.8

7. CREDIT RISK MITIGATION: Disclosures for Standardised Approach

- 7 (a)** The Bank has adopted Credit Risk Mitigation (CRM) Techniques and Collateral Management (CM) guidelines issued by RBI under Master circular – Prudential guidelines on capital Adequacy and Market Discipline – New Capital Adequacy Framework (NCAF) (vide RBI Master Circular dated July 01, 2015).

Bank has utilised credit risk mitigation in the case of Bank's own deposits, Kisan Vikas Patra, LIC policies, National Saving Certificate and gold, wherever the collateral is identifiable, marketable and enforceable and complies with RBI requirements. Sovereign exposures and Sovereign guaranteed exposures are risk weighted as per RBI directives.

The general principles applicable for use of credit risk mitigation techniques are as under:

- No transaction in which Credit Risk Mitigation (CRM) techniques are used has been assigned higher capital requirement than as otherwise identical transaction where such techniques are not used.
- The Bank has taken care to see that effects of CRM are not double counted. To ensure this no additional supervisory recognition of CRM for regulatory capital purposes are made available on claims for which an issue-specific rating is used that already reflects that CRM.
- Principal-only ratings will not be allowed within the CRM framework. The rating should cover principal and interest.

Bank has therefore put in place robust procedures and processes to control these risks, including strategy, consideration of the underlying credit, valuation, policies and procedures systems, control of roll-off risks, and management of concentration risk arising from the use of CRM techniques and its interaction with the Bank's overall credit risk profile.

7 (b) Eligible Financial Collateral:

The following collateral instruments are eligible for recognition in the comprehensive approach: -

- Cash (as well as certificates of deposit or comparable instruments, including fixed deposit receipts, issued by the lending bank) on deposit with the bank which is incurring the counterparty exposure.
- Gold: Gold would include both bullion and jewellery. However, the value of the collateralized jewellery should be arrived at after notionally converting these to 99.99 purity.
- Securities issued by Central and State Governments
- Kisan Vikas Patra and National Savings Certificates provided no lock-in period is operational and if they can be encashed within the holding period.
- Life insurance policies with a declared surrender value of an insurance company which is regulated by an insurance sector regulator.
- Debt securities rated by a chosen Credit Rating Agency in respect of which banks should be sufficiently confident about the market liquidity where these are either:
 - Attracting 100 per cent or lesser risk weight i.e., rated at least BBB(-) when issued by public sector entities and other entities (including banks and Primary Dealers); or

- b) Attracting 100 per cent or lesser risk weight i.e., rated at least CARE A3/ CRISIL A3/ India Ratings and Research Private Limited (India Ratings) A3/ICRA A3 / Acuite A3 for short-term debt instruments.
- vii. Debt Securities not rated by a chosen Credit Rating Agency in respect of which banks should be sufficiently confident about the market liquidity where these are:
- a) issued by a bank; and
- b) listed on a recognized exchange; and
- c) classified as senior debt; and
- d) all rated issues of the same seniority by the issuing bank are rated at least BBB(-) or CARE A3/ CRISIL A3/ India Ratings and Research Private Limited (India Ratings) A3/ICRA A3 / Acuite A3 by a chosen Credit Rating Agency; and
- e) the bank holding the securities as collateral has no information to suggest that the issue justifies a rating below BBB(-) or CARE A3/ CRISIL A3/ India Ratings and Research Private Limited (India Ratings) A3/ICRA A3/Acuite A3 (as applicable) and;
- f) Banks should be sufficiently confident about the market liquidity of the security.
- viii. Units of Mutual Funds regulated by the securities regulator of the jurisdiction of the bank's operation mutual funds where:
- a) a price for the units is publicly quoted daily i.e., where the daily NAV is available in public domain; and
- b) Mutual fund is limited to investing in the instruments listed in this paragraph.
- ix. Re-securitisations, irrespective of any credit ratings, are not eligible financial collateral.

(₹ million)

Particular	As on March 31, 2023
Total exposure covered by eligible financial collateral after application of applicable haircuts	58,476.7
Total exposure covered by guarantees/credit derivatives	-

8. SECURITIZATION EXPOSURES

As per RBI guidelines on Securitization exposure, Investments by banks in securitized assets, representing loans to various categories of priority sector, except 'others' category, are eligible for classification under respective categories of priority sector lending (PSL) depending on the underlying assets.

In the Financial Year 2022-23, the Bank has made investments in securitized assets by way of Pass Through Certificates, aggregating to ₹ 25,355.6 million, the outstanding of this as on March 31, 2023 was ₹ 21,211.7 million.

The following table sets forth the details of investments in Pass Through Certificates carried out by the Bank and their position as on March 31, 2023.

(₹ million)

Financial Year	Original Investment	Actual March 31, 2023
2017-18	997.5	31.9
2018-19	549.9	47.2
2019-20	941.0	190.9
2020-21	5,043.2	1,290.0
2021-22	7,624.2	2,031.0
2022-23	25,355.6	21,211.7
Total	40,511.4	24,802.7

9. MARKET RISK IN TRADING BOOK

Market risk refers to the uncertainty of future earnings resulting from changes in interest rates, foreign exchange rates, market prices and volatilities. The Bank assumes market risk in its lending and deposit taking businesses and in its investment activities, including position taking and trading. The market risk is managed in accordance with the investment policies, which are approved by the Board. These policies ensure that operations in securities, foreign exchange and derivatives are conducted in accordance with sound and acceptable business practices and are as per the extant regulatory guidelines, laws governing transactions in financial securities and the financial environment. Market Risk in Trading Book is assessed as per the Standardised Duration approach. The capital charge for Held for Trading (HFT) and Available for Sale (AFS) portfolios is computed as per Reserve Bank of India prudential guidelines.

Market risk management objectives:

The objectives of market risk management are as follows:

- Management of liquidity
- Management of interest rate risk and exchange rate risk.
- Proper classification and valuation of investment portfolio
- Adequate and proper reporting of investments and derivative products
- Compliance with regulatory requirements

Structure and organisation of the market risk management function:

The Board, through Risk Management Committee, approves the policies with regard to identification, measurement and control of market risks (Interest Rate Risk and Foreign Exchange Risk) and Liquidity Risk. Market Risk department is an independent function. The Market Risk Department exercises independent control over the process of market risk management and recommends changes in processes and methodologies for measuring Market Risk.

Strategies and processes:

To comply with the regulatory guidelines and to have independent control groups there is clear functional separation of:

- Trading (Front office)
- Monitoring and control (Middle office) and
- Settlements (Back office)

The strategy/guidelines for controlling market risk include:

- Direct involvement of experienced line management
- Stringent controls and limits
- Strict segregation of front, middle and back office duties
- Comprehensive periodical reporting of positions
- Regular independent reviews of all controls and limits
- Rigorous testing and auditing of all pricing, trading and risk management

The scope and nature of risk reporting and measurement systems:

Reporting:- The Bank periodically reports on the various investments and their related risk measures to the senior management and the committees

of the Board. The Bank also periodically reports to its regulator in compliance with regulatory requirements.

Measurement:- The Bank has devised various risk metrics for measuring market risk. These are reported to Asset Liability Management Committee by Market Risk Management Department. Some of the risk metrics adopted by the Bank for monitoring its risks are Value-at-Risk, Earnings at Risk, Modified Duration, Stop Loss limits amongst others

Capital requirements for market risk

(₹ million)

Particulars	As on March 31, 2023
• Interest Rate Risk	187.4
• Foreign Exchange Risk (Including gold)	54.0
• Equity Risk	115.8
Capital requirement for Market Risk	357.2

10. OPERATIONAL RISK

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk includes legal risk but excludes strategic and reputation risks.

The Bank has put in place a Board approved Operational Risk Management Policy which outlines overall framework for management of Operational Risk. The Bank has identified Key Operational Risk Indicators (KORIs) across various units, which are measured, monitored regularly and reported to Operational Risk Management Committee (ORCO) on monthly basis. The Bank has a robust system of reporting Operational Risk events across various units through identified Operational Risk Officers, who are given adequate training to identify and report such events as and when they occur. The Bank has a very effective system of recording and reporting operational losses booked. The Bank also collects qualitative data on self-assessment of operational risk faced by various units through Risk Control Self-Assessment (RCSA) exercise.

The Bank has implemented Periodic Risk Identification and Controls Evaluation (PRICE) system with a view to develop policy framework for identification and documented plan to mitigate various risks in the Bank. The PRICE system is expected to provide a robust overview of various risks being identified proactively that remain unmitigated. The PRICE system is pivotal in continuous assessment of our risk and control environment and prioritise our remedial efforts based on risk/impact.

The Bank manages Operational Risk by way of adopting best practices in processes as well as products. All the new and existing process are subjected to rigorous review by Management Committee for Approval of Process (MCAP), which comprises of senior management personnel with diversified experience in banking. Utmost importance is given on communication and understanding of processes at transactional level and compliance to same are monitored through effective internal audits.

The Bank understands the criticality of business continuity in the event of any undesirable / unforeseen incident and has put in place an exhaustive Business Continuity Plan (BCP) in place which is subject to periodic drills. The Bank has robust Information Technology set up with Disaster Recovery (DR) site for critical functions and backups. Further there is a strict adherence to Information Security Policy across the Bank.

As per the mandate from RBI, the Bank is following the Basic Indicator Approach (BIA) for assessment of Operational Risk Capital. The Bank has taken quantitative and qualitative steps in view of moving towards advanced approaches as prescribed by RBI.

Capital requirement for operational risk as per Basic Indicator Approach (BIA) as on March 31, 2023 is ₹ 2,522.7 million.

11. INTEREST RATE RISK IN BANKING BOOK

Interest Rate Risk in the Banking Book (IRRBB):

Interest rate risk is the potential change in Net Interest Income (NII) or Economic Value of Equity (Balance Sheet impact), caused by unexpected changes in market interest rates. Since NII or Net Interest Margin (NIM) of Bank is dependent on the movements of interest rates, any mismatches or gaps in the cash-flows on re-pricing dates exposes Bank's NII or NIM to interest rate risk. Interest Rate Risk in Banking Book results from an unavoidable position or gap arising from Bank's normal day to day business by holding assets and liabilities in different maturities and different re-pricing dates.

Risk management framework and monitoring:

The Board of the Bank, through Risk Management Committee (RMC), has overall responsibility for management of risks and it sets limits and policies for management of liquidity risk, market risk including foreign exchange, interest rate and equity risk. The Asset Liability Management Committee (ALCO), a strategic decision making body constituted by Board, headed by Managing Director and comprising of senior executives of the Bank is responsible for deciding the mix and maturity profile

of the assets and liabilities, recommendation of risk policies, setting up of prudential limits to manage the risks and ensuring compliance with the limits set by the Board. The ALM policy of the Bank includes the prudential limits on interest rate risk, liquidity risk, foreign exchange risk and equity risk.

Market Risk Management Department is responsible for monitoring the limits laid down in the ALM Policy through various reports. These reports are prepared at regular intervals and exceptions/deviations are reported to the ALCO/RMC, as may be required by the ALM policy.

Risk measurement and reporting framework:

As a part of its regular activities, ALCO manages the impact of the interest rate risk in banking book, through various limits, reports and tools such as interest rate sensitive gaps, Earnings at risk analysis, duration gap analysis, stress testing, etc. detailed as follows:

Interest rate sensitivity gap:

The interest rate gap risk, at any given date, is the risk arising from the mismatches in the assets and liabilities over the different time intervals. These mismatches or gaps are arrived at after matching rate sensitive assets and rate sensitive liabilities in the particular time bucket taking into account all assets and liabilities (including off Balance Sheet exposure). The rate sensitive assets and liabilities are grouped in the buckets as per the residual maturity or re-pricing date, whichever is earlier and is reported on monthly basis. The gap indicates whether net interest income is positively or negatively impacted by a change in interest rates and the magnitude of the gap approximates the change in net interest income for any given interest rate shift. Limits are fixed on individual gaps.

Earnings at Risk Analysis (EaR):

The gaps in the report indicates whether the Bank is in a position to benefit from rising interest rates by having a positive gap ($RSA > RSL$) or whether it is in a position to benefit from declining interest rates by a negative gap ($RSL > RSA$). The Bank monitors the Earnings at Risk on NII for 1% change in interest rates on the open periodic gaps.

Stress testing:

The Bank measures the impact on NIM/ EaR after taking into account various possible movement in interest rates across tenor and impact on the earnings is calculated for each of these scenarios. These reports are prepared on a quarterly basis for measurement of interest rate risk.

Duration gap analysis:

Movement in the interest rates also have a long-term impact on the market value of equity of the Bank, as the economic value of the Bank's assets, liabilities and off-Balance Sheet positions get affected. Duration is a measure of interest rate sensitivity of assets, liabilities and also equity. It may be defined as the percentage change in the market value of an asset or liability (or equity) for a given change in interest rates. Thus Duration Gap Analysis measures by how much the market value of equity of a firm would change for the possible change in the interest rates.

The following tables show the impact on NII and economic value of equity for a given change in the interest rates. The impact is calculated assuming parallel shifts in the yield curve across all time buckets.

i) Impact on NII:

(₹ million)

Currency	Changes in interest rates (in bps)			
	(100)	(50)	50	100
INR	(545.4)	(272.7)	272.7	545.4
USD	(25.2)	(12.6)	12.6	25.2
JPY	0.0	0.0	0.0	0.0
GBP	0.1	0.1	(0.1)	(0.1)
EUR	(0.9)	(0.5)	0.5	0.9
Total	(571.4)	(285.7)	285.7	571.4

ii) Impact on economic value of equity:

(₹ million)

Currency	Changes in interest rates (in bps)			
	(100)	(50)	50	100
INR	3,115.5	1,557.8	(1,557.8)	(3,115.5)

* No major exposure in foreign currencies

12. General disclosures for exposures related to counterparty credit risk**Counterparty exposure**

Counterparty credit risk in case of derivative contracts arises from the forward contracts. The subsequent credit risk exposures depend on the value of underlying market factors (e.g., interest rates and foreign exchange rates), which can be volatile and uncertain in nature. The Bank does not Forward transaction and interest rate future.

Credit limits

The credit limit for counterparty bank is fixed based on their financial performance as per the latest audited financials. Various financial parameters such as NPA ratios, liquidity ratios, etc are taken into consideration while assigning the limit. Credit exposure is monitored daily to ensure it does not exceed the approved credit limit. These credit limits are set on the notional exposure basis.

Credit exposures on forward contracts

The Bank enters into the forward contracts in the normal course of business for positioning and arbitrage purposes, as well as for our own risk management needs, including mitigation of interest rate and foreign currency risk. Derivative exposures are calculated according to the current exposures method.

Credit exposure as on March 31, 2023

(₹ million)

	Notional Amount	Gross positive fair value of contracts	Potential future exposure	Total credit exposure
Forward contracts	34,416.3	92.5	901.3	993.8

DF-11: Composition of Capital

(₹ million)

Common Equity Tier 1 capital: instruments and reserves		Ref No.
1	Directly issued qualifying common share capital plus related stock surplus (securities premium)	16,815.50
2	Retained earnings	13,459.42
3	Accumulated other comprehensive income (and other reserves)	12,743.49
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	-
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-
6	Common Equity Tier 1 capital before regulatory adjustments	43,018.41
Common Equity Tier 1 capital: regulatory adjustments		
7	Prudential valuation adjustments	175.38
8	Goodwill (net of related tax liability)	-
9	Intangibles (net of related tax liability)	-
10	Deferred tax assets	-
11	Cash-flow hedge reserve	-
12	Shortfall of provisions to expected losses	-
13	Securitisation gain on sale	-
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-
15	Defined-benefit pension fund net assets	-
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	-
17	Reciprocal cross-holdings in common equity	-
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	-
20	Mortgage servicing rights (amount above 10% threshold)	-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-
22	Amount exceeding the 15% threshold	-
23	of which: significant investments in the common stock of financial entities	-
24	of which: mortgage servicing rights	-
25	of which: deferred tax assets arising from temporary differences	-
26	National specific regulatory adjustments (26a+26b+26c+26d)	-
26a	of which: Investments in the equity capital of unconsolidated insurance subsidiaries	-

26b	of which: Investments in the equity capital of unconsolidated non-financial subsidiaries	-	
26c	of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank	-	
26d	of which: Unamortised pension funds expenditures	-	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	
28	Total regulatory adjustments to Common equity Tier 1	175.38	
29	Common Equity Tier 1 capital (CET1)	42,843.03	
Additional Tier 1 capital: instruments			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (securities premium) (31+32)	-	
31	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	-	
32	of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	-	
33	Directly issued capital instruments subject to phase out from Additional Tier 1	-	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-	
35	of which: instruments issued by subsidiaries subject to phase out	-	
36	Additional Tier 1 capital before regulatory adjustments	-	
Additional Tier 1 capital: regulatory adjustments			
37	Investments in own Additional Tier 1 instruments	-	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	-	
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
41	National specific regulatory adjustments (41a+41b)	-	
41a	of which: Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	-	
41b	of which: Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank	-	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	
43	Total regulatory adjustments to Additional Tier 1 capital	-	
44	Additional Tier 1 capital (AT1)	-	
45	Tier 1 capital (T1 = CET1 + AT1) (29 + 44)	42,843.03	

Tier 2 capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	3,000.00	d
47	Directly issued capital instruments subject to phase out from Tier 2	-	
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-	
49	of which: instruments issued by subsidiaries subject to phase out	-	
50	Provisions	3,689.78	E=e1+e2+e3-e4
51	Tier 2 capital before regulatory adjustments	6,689.78	
Tier 2 capital: regulatory adjustments			
52	Investments in own Tier 2 instruments	-	
53	Reciprocal cross-holdings in Tier 2 instruments	-	
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	-	
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
56	National specific regulatory adjustments (56a+56b)	-	
56a	of which: Investments in the Tier 2 capital of unconsolidated insurance subsidiaries	-	
56b	of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank	-	
57	Total regulatory adjustments to Tier 2 capital	-	
58	Tier 2 capital (T2)	6,689.78	
59	Total capital (TC = T1 + T2) (45 + 58)	49,532.81	
60	Total risk weighted assets (60a + 60b + 60c)	2,82,213.20	
60a	of which: total credit risk weighted assets	2,46,214.20	
60b	of which: total market risk weighted assets	4,465.40	
60c	of which: total operational risk weighted assets	31,533.60	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	15.18%	
62	Tier 1 (as a percentage of risk weighted assets)	15.18%	
63	Total capital (as a percentage of risk weighted assets)	17.55%	
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation plus countercyclical buffer requirements plus G-SIB buffer requirement and D-SIB buffer requirement, expressed as a percentage of risk weighted assets)	8.00%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: bank specific countercyclical buffer requirement	-	
67	of which: higher of G-SIB and D-SIB buffer requirement	-	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	7.18%	

National minima (if different from Basel III)		
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%
71	National total capital minimum ratio (if different from Basel III minimum)	9.00%
Amounts below the thresholds for deduction (before risk weighting)		
72	Non-significant investments in the capital of other financial entities	-
73	Significant investments in the common stock of financial entities	-
74	Mortgage servicing rights (net of related tax liability)	-
75	Deferred tax assets arising from temporary differences (net of related tax liability)	-
Applicable caps on the inclusion of provisions in Tier 2		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	4,217.67
77	Cap on inclusion of provisions in Tier 2 under standardised approach	3,689.78
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-

Notes to the Template

Row No. of the template	Particular	(₹ in million)
10	Deferred tax assets associated with accumulated losses	-
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	-
	Total as indicated in row 10	-
19	If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank	-
	of which: Increase in Common Equity Tier 1 capital	-
	of which: Increase in Additional Tier 1 capital	-
	of which: Increase in Tier 2 capital	-
26b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then:	-
	(i) Increase in Common Equity Tier 1 capital	-
	(ii) Increase in risk weighted assets	-
50	Eligible Provisions included in Tier 2 capital	3,689.78
	Eligible Revaluation Reserves included in Tier 2 capital	-
	Total of row 50	3,689.78

Table DF-12: Composition of Capital- Reconciliation Requirements

Step 1

(₹ million)

	Balance sheet as in financial statements As on Mar. 31, 2023	Balance sheet under regulatory scope of consolidation As on Mar. 31, 2023
A Capital & Liabilities		
i Paid-up Capital	3,115.02	
Reserves & Surplus	42,515.33	
Minority Interest	-	
Employee Stock Options Outstanding	30.79	
Total Capital	45,661.14	
ii Deposits	4,12,389.07	
of which: Deposits from banks	40,991.46	
of which: Customer deposits	3,71,397.61	
of which: Other deposits (pl. specify)	-	
iii Borrowings	41,181.20	
of which: From RBI	1,000.00	
of which: From banks	250.00	
of which: From other institutions & agencies	36,931.20	
of which: Others (pl. specify) Borrowings from outside India	-	
of which: Capital instruments	3,000.00	
iv Other liabilities & provisions	24,427.28	
Total	5,23,658.69	
B Assets		
i Cash and balances with Reserve Bank of India	20,306.04	
Balance with banks and money at call and short notice	3,378.20	
ii Investments:	1,25,824.57	
of which: Government securities	99,279.80	
of which: Other approved securities	-	
of which: Shares	225.99	
of which: Debentures & Bonds	1,236.73	
of which: Subsidiaries / Joint Ventures / Associates	-	
of which: Others (Commercial Papers, Mutual Funds, Certificate of Deposits, PTCs, SRs etc.)	25,082.05	
iii Loans and advances	3,43,807.42	
of which: Loans and advances to banks	0.00	
of which: Loans and advances to customers	3,43,807.42	
iv Fixed assets	8,262.68	
v Other assets	22,079.78	
of which: Goodwill and intangible assets	-	
of which: Deferred tax assets (Net)	1,599.88	
vi Goodwill on consolidation	-	
vii Debit balance in Profit & Loss account	-	
Total Assets	5,23,658.69	

Step 2

(₹ million)

	Balance sheet as in financial statements As on Mar. 31, 2023	Balance sheet under regulatory scope of consolidation As on Mar. 31, 2023	Ref No.
A Capital & Liabilities			
i Paid-up Capital	3,115.02		a1
Reserves & Surplus	42,515.33		
of which:			
Securities Premium	13,700.48		a2
Balance in Profit & Loss account	13,848.80		b1
of which:			
Unallocated Surplus	9,193.21		
Current period profits not reckoned for Capital Adequacy	389.38		b2
Statutory Reserve	8,205.28		c1
Capital Reserve	1,431.06		c2
Special Reserve	1,740.19		c3
Revaluation Reserve	2,969.26		c4
of which			
Not reckoned for Capital Adequacy purposes	1,633.09		c5
Investment Reserve	8.16		e1
Investment Fluctuation Reserve	612.10		e2
Employee Stock Options Outstanding	30.79		c6
Minority Interest	-		
Total Capital	45,661.14		
ii Deposits	4,12,389.07		
of which: Deposits from banks	40,991.46		
of which: Customer deposits	3,71,397.61		
of which: Other deposits (pl. specify)	-		
iii Borrowings	41,181.20		
of which: From RBI	1,000.00		
of which: From banks	250.00		
of which: From other institutions & agencies	36,931.20		
of which: Others (pl. specify) Borrowings from outside India	-		
of which: Capital instruments	3,000.00		d
iv Other liabilities & provisions	24,427.28		
of which: Provision for Standard Assets	3,597.41		e3
Not reckoned for Capital Adequacy purposes	527.89		e4
of which: DTLs related to goodwill	-		
of which: DTLs related to intangible assets	-		
Total	5,23,658.69		
B Assets			
i Cash and balances with Reserve Bank of India	20,306.04		
Balance with banks and money at call and short notice	3,378.20		
ii Investments	1,25,824.57		
of which: Government securities	99,279.80		
of which: Other approved securities	-		
of which: Shares	225.99		

	Balance sheet as in financial statements As on Mar. 31, 2023	Balance sheet under regulatory scope of consolidation As on Mar. 31, 2023	Ref No.
of which: Debentures & Bonds	1,236.73		
of which: Subsidiaries / Joint Ventures / Associates	-		
of which: Others (Commercial Papers, Mutual Funds, Certificate of Deposits, PTC, SRs etc.)	25,082.05		
iii Loans and advances	3,43,807.42		
of which: Loans and advances to banks	0.00		
of which: Loans and advances to customers	3,43,807.42		
iv Fixed assets	8,262.68		
v Other assets	22,079.78		
of which: Goodwill and intangible assets Out of which:	-		
Goodwill	-		
Other intangibles (excluding MSRs)	-		
Deferred tax assets (Net)	1,599.88		
vi Goodwill on consolidation	-		
vii Debit balance in Profit & Loss account	-		
Total Assets	5,23,658.69		

Step 3

(₹ million)

Common Equity Tier 1 capital: instruments and reserves		
	Component of regulatory capital reported by bank	Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation from step 2
1 Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	16,815.50	A=a1+a2
2 Retained earnings	13,459.42	B=b1-b2
3 Accumulated other comprehensive income (and other reserves)	12,743.49	C=c1+c2+c3+c4-c5+c6
4 Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	-	
5 Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	
6 Common Equity Tier 1 capital before regulatory adjustments	43,018.41	
7 Prudential valuation adjustments	175.38	
8 Goodwill (net of related tax liability)	-	

Main Features of Regulatory Capital Instruments

Sr. No.	Particulars	Equity Shares	Sub-Ordinated Debt
1	Issuer	DCB BANK LIMITED	DCB BANK LIMITED
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE503A01015	INE503A08051
3	Governing law(s) of the instrument	Indian Law	Indian Law
	Regulatory treatment		
4	Transitional Basel III rules	Common Equity Tier 1	Tier 2
5	Post-transitional Basel III rules	Common Equity Tier 1	Tier 2
6	Eligible at solo/group/ group & solo	Solo	Solo
7	Instrument type	Common Shares	Tier 2 Debt Instruments
8	Amount recognised in regulatory capital (₹ in million, as of most recent reporting date)	₹ 3,115 Million	₹ 3,000 Million
9	Par value of instrument	₹ 10 per share	₹ 3,000 Million and each debenture of ₹ 10 Million
10	Accounting classification	Shareholder's Equity	Liability
11	Original date of issuance	Various*	28.03.2023
12	Perpetual or dated	Perpetual	Dated
13	Original maturity date	No Maturity	28.03.2033
14	Issuer call subject to prior supervisory approval	No	Yes
15	Optional call date, contingent call dates and redemption amount	NA	Call option exercisable only if the instrument has run for five years; First call date is 28.03.2028; Call option can be exercised only with the prior approval of RBI. These Bonds are redeemable at Par.
16	Subsequent call dates, if applicable	NA	Any coupon payment date after 28.03.2028, with the prior approval of RBI.
	Coupons / dividends		
17	Fixed or floating dividend/coupon	NA	Fixed
18	Coupon rate and any related index	NA	9.35% per annum
19	Existence of a dividend stopper	NA	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Partially discretionary
21	Existence of step up or other incentive to redeem	No	No
22	Noncumulative or cumulative	Non-cumulative	Cumulative
23	Convertible or non-convertible	NA	Non-convertible
24	If convertible, conversion trigger(s)	NA	NA
25	If convertible, fully or partially	NA	NA
26	If convertible, conversion rate	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA
30	Write-down feature	No	Yes
31	If write-down, write-down trigger(s)	NA	PONV Trigger
32	If write-down, full or partial	NA	Fully or Partially
33	If write-down, permanent or temporary	NA	Permanent

Sr. No.	Particulars	Equity Shares	Sub-Ordinated Debt
34	If temporary write-down, description of write-up mechanism	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	NA	The Claims of debenture holder (s) shall be: (i) Senior to the claims of investors in instruments eligible for inclusion in Tier 1 Capital of the Bank and (ii) Subordinate to the claims of all depositors and general creditors of the Bank
36	Non-compliant transitioned features	No	No
37	If yes, specify non-compliant features	NA	NA

* Date of allotment of equity shares are available on the Bank's website at following link: http://www.dccb.com/pdfs/DCB_Capital_Structure_of_the_Bank_as_on_31st_March_2023.pdf

Table DF 17- Summary comparison of accounting assets vs. leverage ratio exposure measure**Leverage Ratio:**

The leverage ratio is calibrated to act as a credible supplementary measure to the risk based capital requirements.

The Basel III leverage ratio is defined as the capital measure (the numerator) divided by the exposure measure (the denominator), with this ratio expressed as a percentage.

$$\text{Leverage Ratio} = \frac{\text{Capital Measure (Tier 1 Capital)}}{\text{Exposure Measure}}$$

Summary comparison of accounting assets vs. leverage ratio exposure measure

Item	(₹ Million)
1 Total consolidated assets as per published financial statements	5,23,658.69
2 Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
3 Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
4 Adjustments for derivative financial instruments	993.80
5 Adjustment for securities financing transactions (i.e. repos and similar secured lending)	0.00
6 Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	22,505.45
7 Other adjustments	
8 Leverage ratio exposure	5,47,157.94

DF-18 Leverage ratio

Leverage ratio common disclosure template		
	Item	Leverage ratio framework (₹ million)
On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	5,23,658.69
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	5,23,658.69
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	92.49
5	Add-on amounts for PFE associated with all derivatives transactions	901.31
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-
8	(Exempted CCP leg of client-cleared trade exposures)	-
9	Adjusted effective notional amount of written credit derivatives	-
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-
11	Total derivative exposures (sum of lines 4 to 10)	993.80
Securities financing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	0.00
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-
14	CCR exposure for SFT assets	-
15	Agent transaction exposures	-
16	Total securities financing transaction exposures (sum of lines 12 to 15)	0.00
Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	52,759.23
18	(Adjustments for conversion to credit equivalent amounts)	30,253.78
19	Off-balance sheet items (sum of lines 17 and 18)	22,505.45
Capital and total exposures		
20	Tier 1 capital	42,843.02
21	Total exposures (sum of lines 3, 11, 16 and 19)	5,47,157.94
Leverage ratio		
22	Basel III leverage ratio (per cent)	7.83%

Notes

SFT : Securities Financing Transactions

PFE : Potential Future Exposure

CCP : Central Counterparty

CCR : Counterparty Credit Risk

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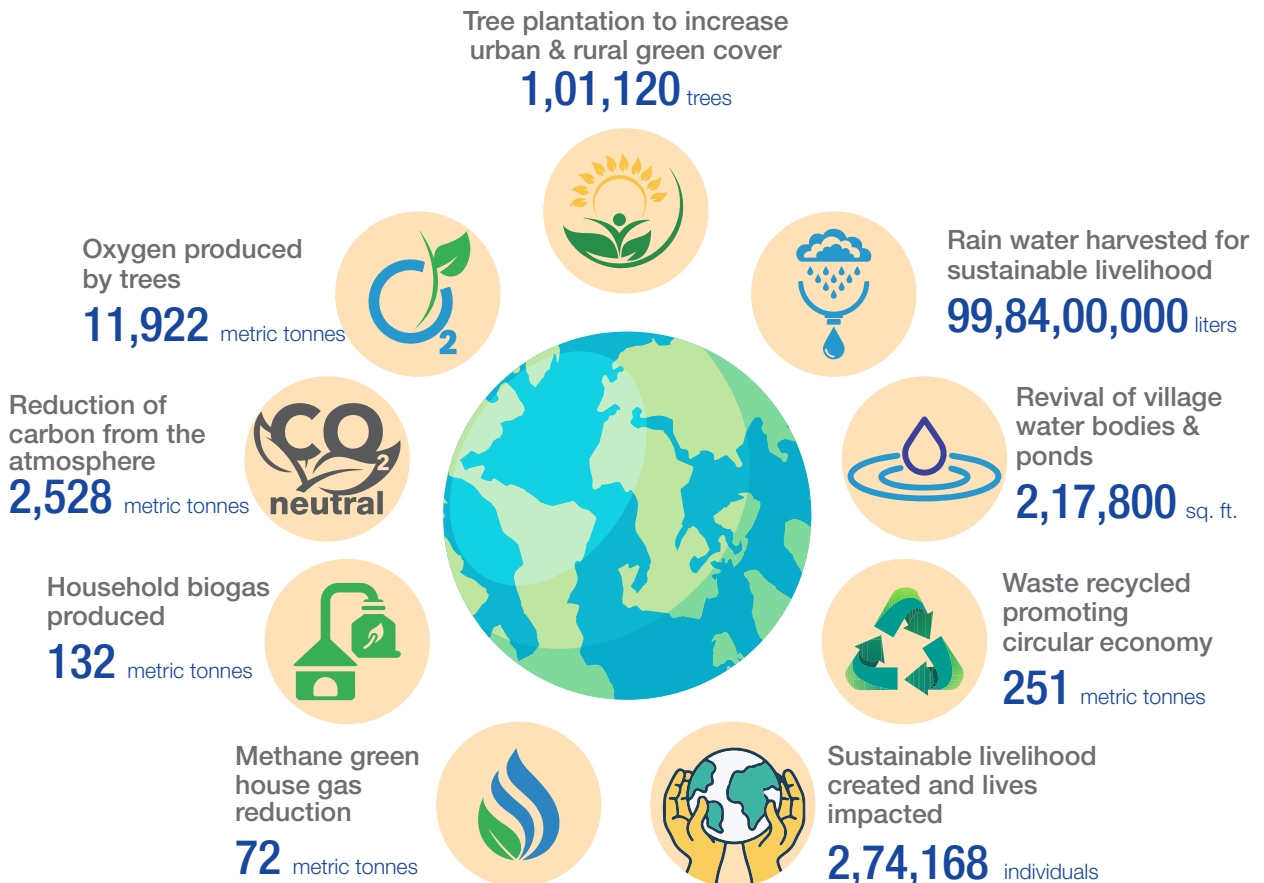
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DCB Bank Limited

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