

DCB BANK LIMITED CSR POLICY

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A. CSR Policy & Philosophy

DCB Bank Ltd. (herein referred to DCB Bank, DCB Bank Ltd, the Bank) commits to operate and grow its business in an environmentally sustainable and socially responsible manner. The Bank strongly believes that to succeed, an organization must maintain the highest standards of corporate behavior towards investors, employees and society in which it operates. The Bank is committed to making a positive contribution to the society and community. It is part of the Bank's values.

DCB Bank undertakes from time to time Corporate Social Responsibility (CSR) initiatives and will continue to do so in the future.

The constitution of a Corporate Social Responsibility Committee of the Board and formulation of a Corporate Social Responsibility Policy has become mandatory under the Companies Act, 2013. Accordingly, the Bank has formulated this CSR Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs.

B. CSR Mission

Contribute to society by actively participating in initiatives that helps to improve the environment and promote sustainability.

C. Constitution of CSR Committee

“The CSR Committee of the Bank will be formulated as per the Statutory Requirement.”

The CSR Committee is responsible for various activities as enumerated in the Terms of Reference (TOR) as under:

- a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and the rules made thereunder, as amended from time to time.
- b) To recommend the amount of expenditure to be incurred on the CSR activities.
- c) To monitor the implementation of the framework of CSR Policy.
- d) To carry out any other function as mandated by the Board

D. Definitions

In this Policy, unless the context otherwise requires:

1. "Act" shall mean the Companies Act, 2013 including any modifications, amendments or re-enactment thereof.
2. "Rules" shall mean the Companies (Corporate Social Responsibility Policy) Rules, 2014, including any modifications, amendments or re-enactment thereof.
3. "Financial Year" shall mean the period beginning from 1st April of every calendar year to 31st March of the succeeding calendar year.
4. "Net Profits" shall mean the net profits of the Bank for a Financial Year and computed so as provided under the Act and the Rules.
5. "Company" shall mean DCB Bank Limited (formerly Development Credit Bank Limited).
6. "Group Companies" shall mean holding, subsidiaries and associates of the Company (if any). "Agency" or "Agencies" shall mean any company registered under Section 8 of the Act or any entity regarded as a registered trust / society / Non-Government Organisation / Institution performing social services for the benefit of the society at large.
7. "Board" shall mean the Board of Directors of the Bank.
8. "Approved Budget" shall mean the total budget as approved by the Board of the Bank, which is to be spent or utilized for CSR activities.
9. "Annual Plan" shall mean the annual planned CSR expenditure for the Financial Year.
10. "CSR Committee" shall mean the Corporate Social Responsibility Committee of the Board as constituted by the Board of Directors of the Bank in accordance with the Act and the Rules made thereunder, comprising of three or more Directors, out of which, at least one director shall be an Independent Director.
11. "CSR Officer" shall mean a person engaged by the Bank to assist the CSR Committee to implement the CSR activities envisaged under the Policy.
12. "CSR Policy" shall mean the Board approved Corporate Social Responsibility Policy of the Bank.
13. "CSR Activities" shall mean all the Corporate Social Responsibility activities / programs / initiatives of the company, either ongoing or new, including but not limited to Health, Nutrition, Water, Sanitation, Development of youth, Developing sports talent, Rehabilitation, Financial Inclusion education, etc. and those specified in Schedule VII to the Act (as amended from time to time) at corporate office, project offices of the Company, its subsidiaries and associates, if any, wherever located, as recommended by the CSR Committee and approved by the Board.

14. “CSR Expenditure” shall mean all expenditure as recommended by the CSR Committee and approved by the Board of Directors including the following;
- i) Contributions to CSR activities which shall be implemented and / or executed by the Bank itself.
 - ii) Contributions to CSR activities which shall be implemented through any other “Agency”/ “Agencies”.
 - iii) Contribution to the Corpus of any “Agency”/ “Agencies” created exclusively for undertaking CSR activities or where the corpus is created exclusively for the purpose directly relatable to a subject covered in Schedule VII of the Act.
 - iv) Any other contributions covered under Schedule VII to the Act.
15. “Thrust Areas” shall mean the areas or activities ascribed to them in this Policy, as amended by the Board, from time to time.
16. “Trust” shall mean a trust formed and registered under the Indian Trust Act, 1882 and under the Income Tax Act, 1961 for those states where registration of trust is not mandatory and includes a trust jointly formed and registered by the Bank with all or any of its Group Companies. Words and expressions used and not defined in the Policy shall have the same meanings respectively assigned to them in the Act and / or Rules.

E. CSR Thrust Areas for DCB Bank

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

- a) Conservation of water / water storage / water usage / protecting water bodies**
- b) Waste Management**
- c) Recycling**
- d) Promote waste-to-energy and renewable energy**
- e) Support technology incubators attached to academic institutions**
- f) Preservation & promotion of archaeological, cultural, artistic, historical heritage and national treasures with focus on protection of water sources, promotion of harvesting of water, propagation of waste management, promoting recycling and adoption of renewable energy**

“CSR Activities” shall mean all the Corporate Social Responsibility activities / programs / initiatives of the company, 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 Committee and approved by the Board.

The Bank's thrust area is in keeping with the Government of India's Swachh Bharat initiative.

F. Implementation

The CSR Policy will be implemented from the succeeding Financial Year of every Financial Year in which the Company shows the net profits as per its audited annual financial statements. The CSR activities will be carried out directly or indirectly at the Bank's office locations, in and around the areas of the projects of the Bank, Group Companies, Subsidiaries and Associates of the Bank (if any).

However, this shall not bar the Bank from pursuing its CSR activities in any other areas. The CSR activities will be carried out / implemented, directly or indirectly, through DCB Bank Ltd. or Agency/ Agencies.

G. Expenditure not covered or recognized

The following contributions shall not be considered as CSR Expenditure:

- a) Contributions of any amount, whether directly or indirectly, to any political party or any person associated with a political party.
- b) Amount spent, whether directly or indirectly, for the benefit of employees of the Bank, its Subsidiaries and Associates and their families.
- c) Expenses incurred by the Bank for the fulfillment of obligations of any act / statute of regulations (such as labour laws, land acquisition act etc.)
- d) Expenses incurred by the Bank for ad-hoc events such as marathons / awards / charitable contribution / advertisement / sponsorships of TV programs.
- e) Other contributions / expenses not recognized expressly under the Act / the Rules as amended or modified, from time to time.

H. Funding and allocation

Following shall be the mode of funding and allocation of area wise planned expenditure for CSR activities.

1. The Bank shall, in every financial year, contribute a statutory minimum amount of at least 2% of its Average Net Profits made during the three immediate preceding Financial Years for the CSR Expenditure.
- 2. The Bank shall allocate 2 days per employee per Financial Year to be spent on "CSR Activities". The 2 days will be paid leave for each employee to actively**

contribute and volunteer personal time on “CSR Activities” approved by CSR Committee of the Board approved

3. In the absence of Net Profits in any financial year, the Company endeavors to contribute such feasible amount as it may decide.
4. The CSR Committee shall prepare its annual planned expenditure, for a Financial Year, for the CSR activities including the thrust areas and manner of implementation etc., and submit the same for approval of the Board in a manner or format as may be approved by CSR Committee, covering one or more of the following Thrust Areas:
 - a) Conservation of water / water storage / water usage / protecting water bodies
 - b) Waste Management
 - c) Recycling
 - d) Promote waste-to-energy and renewable energy**
 - e) Support technology incubators attached to academic institutions**
 - f) Preservation & promotion of archaeological, cultural, artistic, historical heritage and national treasures with focus on protection of water sources, promotion of harvesting of water, propagation of waste management, promoting recycling and adoption of renewable energy**
5. The Bank shall endeavor to spend the entire amount of statutory minimum contribution limit in a Financial Year. In the event, the Bank is unable to spend such amount in any given financial year, the Board shall specify the reasons for the same in its report to the shareholders in terms of Section 134(3)(o) of the Act.

I. Monitoring mechanism

The CSR Officer of the Bank will coordinate / review the implementation of CSR activities at various areas and report to the Board through the CSR Committee. The CSR Committee shall meet at least once in a year to monitor the implementation of CSR Plan and its activities. The Committee shall ensure that the CSR Policy, as amended from time to time, is displayed on the company's website.

The CSR Committee shall place before the Board, a draft annual report on CSR activities as per the specified format, in a board meeting to be held in April / May of the following year for Board's review and finalization. The Board shall include in its report to the shareholders, the annual report on CSR activities as per the format specified under the Rules.

The CSR Officer of the Bank shall assist the CSR Committee to implement the Bank's CSR Policy.

J. Reporting format

Periodic reporting on the CSR activities, execution modalities, implementation schedules etc., to the CSR Committee shall be in the format which may be approved by the CSR Committee from time to time.
