

DCB BANK

Journey and Change of Guard

DCB Bank Limited
Annual Report 2023-24





DCB BANK VISION

The Bank's vision is to be the most innovative and responsive neighbourhood bank in India serving entrepreneurs, individuals, and businesses by adapting "best practices" while ensuring strong governance, good working atmosphere for employees and be responsible towards society and environment.

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

CONTENTS

Company Information	1
Chairman's Statement	2
Corporate Social Responsibility (CSR) Initiatives	6
Notice to Members	10
Directors' Report	40
Corporate Governance Report	66
Auditors' Report	89
Balance Sheet	98
Profit & Loss Account	99
Cash Flow Statement	100
Schedules and Notes to the Financial Statements	102
Basel III	176

COMPANY INFORMATION

Board of Directors

Mr. Farokh N. Subedar
Non-Executive Part-time
Chairman and Independent
Director

Mr. Murali M. Natrajan
Managing Director & Chief
Executive Officer (MD & CEO)
(till April 28, 2024)

Mr. Praveen Achuthan Kutty
Managing Director & Chief
Executive Officer (MD & CEO)
(w.e.f. April 29, 2024)

Mr. Aryn Jassani

Mr. Iqbal Khan

Ms. Lakshmy Chandrasekaran

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 Chief Investor Relationship
Officer (CIRO)

Ms. Ashu Sawhney
Head - Human Resources
(from July 28, 2023)

Mr. Gaurav Mehta
Head - Marketing, Public Relations (PR),
Corporate Communications & Corporate
Social Responsibility (CSR)

Mr. J. K. Vishwanath
Head - Corporate Banking, Construction
Finance and Small & Medium Enterprises
(SME)

Ms. Meghana Rao
Head - Operations & Branch Operations

Mr. Manoj Joshi
Chief Compliance Officer and Chief of
Internal Vigilance (CIV)

Mr. Murali Mohan Rao Manduva
(from July 28, 2023)
Chief Technology Officer

Mr. Narendranath Mishra
Head - Retail & Agri Loans

Mr. Pankaj Sood
Head - Retail & Emerging Branch Banking
(from July 28, 2023)

Mr. Ravi Kumar
Chief Financial Officer
(from June 8, 2023)

Mr. Sridhar Seshadri
Chief Risk Officer

Ms. T. P. Anuradha
Chief Internal Auditor

Company Secretary

Ms. Rubi Chaturvedi

Key Officials

Mr. Ajay Mathur
Head - Collections & Commercial Vehicles

Mr. Bappa Roy
Product Head - Retail Liability & Third
Party Distribution

Mr. Damodar Agarwal
Head - Strategic Initiatives & Alternate
Channels

Mr. Durga Prasad Rath
Business Unit Head - AIB Branch Banking

Mr. K. K. Pandey
Head - Channel Sales & Emerging Markets

Mr. Krishna Ramasankaran
Head - Credit, Retail and Small & Medium
Enterprises (SME)

Mr. N. C. Kaushal
Business Head - Construction Finance

Mr. Shankershan Vasisth
Head - Corporate Credit & Credit
Monitoring

Mr. Vikash Agarwal
Head - Marketing Services

Joint Statutory Auditors

M/s. B S R & Co LLP
Chartered Accountants
(Registration No. 101248W/W100022)

M/s. Sundaram & Srinivasan
Chartered Accountants
(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



The major change that is going to happen in the Bank is the "Change of Guard" which is the theme of this year's Annual Report. After serving the Bank continuously for 15 years, Mr. Murali M Natrajan's term as per extant guidelines for private banks ended on April 28, 2024.

My Dear Shareholders,

It is my privilege and pleasure to be again addressing you at this 29th Annual General Meeting of DCB Bank Limited.

While our country's economy has been robust and the situation in our country has been stable, the world situation continues to be volatile, the continuing conflicts in Eastern Europe and West Asia continues to be causes of global concern, impacting civilians and regional stability, with fall outs on global trade and commerce. China's economy continues to show signs of weakness. In this situation, India's resilient economic progress is impressive, and its contribution is significant for the entire world and makes us Indians proud.

During the past year, India became the world's most populous country, surpassing China. While the population size poses challenges related to resource allocation, infrastructure, social services, and job creation, it also provides the potential for demographic dividend. India's market size and growing consumer middle class cannot be ignored by other countries looking to expand globally. At the same time, our country must continue to work towards creating education and employment opportunities for aspiring youth, bridging the gap between the rich and the poor and reduce income disparities for long term economic health and progress. Industrialization and infrastructure development creating rapid urbanization needs to be balanced with issues of resultant air pollution, water scarcity, climate change and environmental degradation. While maintaining focus on uplifting the lives of millions, we need to remain committed to protecting the environment for the future generations.

India continues to have a large and attractive self-employed (MSME / SME) segment which has been the target market for your Bank.

The Bank's strategy continues to play out well and in FY 2024 the Balance Sheet grew by 20 percent, Deposits by 20 percent and Loans by 19 percent. The NPAs remained in control and the Bank was once again able to demonstrate profitable growth. Our intention remains to double the Balance Sheet in about 3-4 years while continuing to improve productivity and profitability. Throughout FY2024, interest margin has been under some pressure due to market conditions. The Bank continues to strengthen its deposit franchise by creating new products, improved distribution, digitisation and service quality. Within prevailing market conditions, we endeavour to grow our Current Account and Savings Account balances (CASA) and improve the ratio of such deposits to our Total Deposits in the coming months. The Bank is continuing to expand and create capacity for stepping up growth.

The total headcount increased from 9,905 in FY 2023 to 11,325 in FY 2024. I am happy to share with you that your Bank's Human Resources practices continue to be recognized by and receive awards from leading industry forums. For the past many months, a key challenge faced by the entire service industry is frontline employee attrition. Our Human Resources team are constantly looking at newer ways of retaining young talent in a highly competitive market for resources.

The major change that is going to happen in the Bank is the “Change of Guard” which is the theme of this year’s Annual Report. After serving the Bank continuously for 15 years, Mr. Murali M Natrajan’s term as per extant guidelines for private banks ended on April 28, 2024. We thank Mr. Natrajan for his tremendous contribution in growing the Bank from a difficult situation in 2009 when he joined, to what it is today and creating a strong platform / foundation for the Bank’s future growth. I am sure the shareholders will join me in thanking Mr. Murali M Natarajan for his significant contribution in the Bank’s journey and wish him well in his future endeavours.

The Board of Directors, after due process, chose Mr. Praveen Kutty as the successor to Mr. Natrajan. Mr. Kutty’s appointment for a period of 3 years beginning April 29, 2024, was approved by RBI on January 16, 2024. Praveen has been with the Bank since July 2007 and has worked closely in several areas with Murali and the team. Praveen’s taking over the reins will ensure continuity of the Bank’s journey and provide strong leadership to the entire DCB Bank employee team. We are confident that Mr. Praveen Kutty and the management team will continue to build on the good work done by Mr. Natrajan. I request the shareholders in joining me to wish Mr. Kutty and his team all the very best for the future.

Moving forward, while ensuring proper and robust governance with the support of my fellow directors in the

board and the management team, I intend to put more emphasis on further improving customer service by strengthening our existing **Empathy, Speed and Quality** (ESQ) program and other initiatives.

We have a passionate and hard-working Corporate Social Responsibility (CSR) team and we have chosen CSR thrust areas which are so important in the current situation of climate change and environment degradation. I intend to work closely with the CSR team to make some meaningful impact within our resources. You will be pleased to know that your Bank has planted more than 1 Lakh trees during the year under its CSR activities.

Your Bank’s IT team is constantly upgrading its IT Infrastructure to support seamless operations & business functions. The Bank has upgraded its Treasury Investment Management & Money Market Module. The Mobile Banking is enhanced with the addition of features like FATCA declaration, FD nominee registration, PAN Update. KYC refresh option is now available for our customers by Interactive Voice Response (IVR). Your Bank has upgraded FinnOne application to 6.5 from 2.0, to simplify and ease the loan fulfilment journey. I am happy to share that upon successful integration with the Government of India Tax Portals you and our customers can pay income tax and GST through DCB Bank.

We are indeed grateful to our Promoters, Aga Khan Fund for

Economic Development S.A. (AKFED) for reposing faith in us and offering to increase their stake beyond the earlier threshold of 15% which you have approved and will be implemented upon receiving the RBI approval.

Personally, for me, the last 17 months has been full of learning and excitement. I am grateful for the support from the Board of Directors and the management team. I am satisfied that the Board of Directors has worked to ensure smooth transition from the long serving MD & CEO to a most suitable internal candidate. We intend to continue to focus on leading and empowering the management team under the new MD & CEO to fuel the Bank’s growth aspirations, with the highest priority to meeting the expectations of the Reserve Bank of India, our employees, shareholders and all stakeholders, besides scrupulously complying with all regulatory requirements.

Thank you dear shareholders.

Farokh N. Subedar

Chairman

Message from Mr. Murali M. Natrajan



Dear Shareholders,

As per the prevailing RBI policy on private banks, my tenure as Managing Director & Chief Executive Officer of DCB Bank concludes on April 28, 2024, after 15 years of continuous service since April 2009.

It has been an immense privilege and honor to be part of the journey of DCB Bank. I express my heartfelt gratitude to you and sincerely thank you for allowing me to contribute to the advancement of this esteemed institution.

As I bid farewell, memories of the past 15 years flood my mind, evoking emotions of gratitude, nostalgia, satisfaction, and a tinge of sadness at departing from this remarkable institution.

I express my sincere appreciation to the Bank's customers whose unwavering support has enabled us to serve them while expanding our business and presence.

I extend my gratitude to the Board of Directors (past and present), our Chairman Mr. Farokh Subedar, the promoter, the management team, and the entire staff of DCB Bank. Special thanks to those team members who retired during this period.

I also acknowledge the invaluable collaboration and assistance from our business partners, industry leaders, banking fraternity, suppliers, vendors, and alliances.

The dedication, diligence, and passion exhibited by the management team and staff have been exemplary. Their tireless efforts, particularly during challenging times, have been instrumental in propelling the Bank forward and making it a truly special workplace for me.

Reflecting on the challenging period in the year 2009, our firm strategic focus on the granular self-employed (MSME/SME) segment, capital efficient business model, secured lending, cautious approach, prudent risk and liquidity management, product innovation, steady business expansion, people centric organization, technology improvements, operational excellence, and in general, step by step advancement in almost all areas of the Bank facilitated a remarkable turnaround within 18 months and paved the way for delivering a sustained growth and profitability thereafter. I am thankful to all stakeholders for their encouragement, guidance, the directions from the Board of Directors led by our former Chairman Mr. Nasser Munjee and the relentless efforts of the management team.

Despite many environmental challenges including the unprecedented Covid-19 pandemic disruptions, the Bank's resilient business model remained robust, underscoring its adaptability and resilience.

As already informed, Mr. Praveen Kutty will succeed me as Managing Director & Chief Executive Officer w.e.f. April 29, 2024. Mr. Kutty, with his extensive experience and dedication, is well-equipped to lead the Bank to greater heights. I am confident that under his leadership, supported by the capable management team, DCB Bank will continue its trajectory of growth and value creation.

My tenure at DCB Bank has been a fulfilling and enriching experience, constituting a significant portion of my career. As I embark on new endeavors following a brief hiatus, I will remain an avid supporter and shareholder of DCB Bank. I extend my best wishes to Mr. Praveen Kutty and the management team, confident in their ability to steer the Bank towards sustained success.

Thank you once again for your unwavering support.

Warm regards

Murali M. Natrajan
Former Managing Director & Chief Executive Officer

Message from Mr. Praveen Achuthan Kutty



Dear Shareholders,

I am truly excited at the prospect of leading DCB Bank, where I have spent almost 17 years of my life. I have had the privilege of witnessing, at close quarters, the talent, dedication and “can do” spirit of the DCB Bank team. I am proud of what we have achieved so far together.

Numbers speak a story – Balance Sheet of over ₹63,000 Crore, highest ever yearly net profit of ₹536 Crore, 442 branches spread across the length and breadth of the country, a year-on-year growth in excess of 20%.

But numbers do not speak the whole story – The culture of transparency and accessibility, the ethos of customer first and empathy, the supremacy of compliance before all else, the commitment to the Corporate Social Responsibility (CSR) cause speak volumes of the Bank that we built.

I am particularly thrilled to see the resilience of our customer franchise and its ability to bounce back and scale up from the debilitating impact of the pandemic. I am very proud of the team that has developed unique offerings like DCB Happy – India’s first “Cash Back on UPI” savings account, Suraksha Fixed Deposits – with free life insurance wrapped in, DCB Remit – which enables everyone, not just DCB Bank customers, to remit funds to their loved ones in multiple currencies across different geographies on their mobile phones.

Over the last few months, a lot of people have asked this question – “What is going to change?” Before I answer this question, let me categorically assert, “What is not going to change?” Amongst other things, our target segment will continue to be self-employed, our focus on both deposits and loans would be the small ticket customer, our insistence on secured loans will continue, we will continue to obsess over customer service and we will have zero tolerance on non-compliance.

We will continue to invest in state-of-the-art technology and in developing our people. Alliances and partnerships continue to be a very important facet, in ensuring that we reach our target segment with financial products that meet their unique needs.

The environment will throw up both opportunities and threats in the times to come. We will continue to develop leaders who are sufficiently skilled to capitalize on the former and have the prudence to avoid the latter.

I, along with the leadership team, intend to spend some of our time, imparting renewed clarity of purpose to employees, identifying variations in customer preferences, intensifying the speed of execution, improving process designs, while further strengthening the risk framework in which we operate.

I am excited to work along with our Board and my leadership team to take you on a journey, where our first pit stop would be the landmark of ₹1 Lakh Crore of Balance Sheet and our ultimate destination would be to become the best financial partner for small enterprises and entrepreneurs in India.

Lastly and most importantly, I want to thank Murali Natrajan, for creating and handing over to us a precious legacy. My team and I are confident that we will take this enterprise to newer heights.

Best regards

Praveen Achuthan Kutty

Managing Director & Chief Executive Officer

Corporate Social Responsibility Initiatives

Employees and citizen volunteers create groves in localities, Sangareddy, Telangana



DCB Bank volunteers regularly contribute time and effort in citizen programmes such as Dadar beach cleanup, Mumbai, Maharashtra



Bee keeping based sustainable livelihood programme benefits horticulture and agriculture with better farm yield, Banki, Odisha



Assessment of soil & vegetation for scientific restoration of the degraded grassland, Kendur, Maharashtra



Honey extraction practical training being imparted for a project beneficiary, Uttara Kanada, Karnataka



657 kilograms wet organic waste and 300 to 500 kilogram dry waste are processed daily at the Material Recovery Facility (MRF), Goa University, Goa

Miyawaki Tree Plantation for greening the urban space, Shamshabad, Telengana



Restoring indigenous tree cover on clear felled lands creates livelihood opportunity at the project site in East Singbun, Jharkhand



Mangrove saplings are planted in the intertidal zone. Versatile and saline tolerant, mangroves sequester carbon, and offer protection for the coastal communities, Tamil Nadu

Household biogas plants supply cooking fuel for tribal families, Adilabad district, Telengana.



The Bank's project is directly aimed at waste recovery & recycling in villages & hamlets. Here the Bank inaugurates a zero waste village at Busty village, Paschim Parmen forest, Sonada-Kurseong, West Bengal.



Nature trails, restoring biodiversity, biodiversity surveys were part of the project implementation, Ambivili, Maharashtra



Volunteers create awareness about trees at Apollo International School, Ahmedabad, Gujarat



Waste segregation and collection in localities achieve impact by creating awareness about the issue of harmful single use plastic, Bhilai Charoda, Chhattisgarh



Water harvesting project provides the community water and food security, Kendrapara, Odisha



The restoration project has planted over 7,000 trees and shrubs using Assisted Natural Regeneration ANR to create future carbon sequestration and storage, SGNP, Mumbai



Seaweed cultivation helps beneficiaries contribute to the household income of fishermen's families, Ramanthapuram, Tamil Nadu



Open well harvests rainwater, & recharges groundwater. The Manu Vadar traditional well digger community was involved in creating this well. Lalbagh Botanical Garden, Bengaluru, Karnataka



Mobilising citizens from influencers, volunteers, students, youth, restaurants and hotel owners to participate in waste collection activities is done by the project Muni Ki Reti, Uttarakhand

DCB Bank was the runner up at the CSR Journal Excellence Awards 2023 - Environment Category, for the Household Biogas for Tribal Families Project, Adilabad, Telengana



Community Forest Rights training for forest dwelling tribal communities for to protect, nurture & manage non timber forest produce and biodiversity. Bastar, Chhattisgarh

Volunteers and Tieddi Permaculture teams have a regular outreach programme to drive and reinforce behaviour to segregate and compost household waste at home. Sonada/ Kurseong, West Bengal



Working in partnership local authorities volunteers create a green zone at Dr. Lohia Park, Ghaziabad, Uttar Pradesh (1)



The Bank's project provides seeds of flowering trees, shrubs & kitchen garden vegetables to enhance bee flora for the bee keepers. A natural cycle of care giving & nature's bounty begins, Dangs & Valsad, Gujarat.

NOTICE to Members

NOTICE is hereby given that the Twenty Ninth (29th) Annual General Meeting (“the AGM”) of the Members of DCB Bank Limited (“the Bank”) will be held on Wednesday, June 12, 2024 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, 2024 together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend of ₹1.25 per Equity Share of ₹10/- each, for the Financial Year ended March 31, 2024.
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. The relevant details of Mr. Khan are given in Annexure-I to this report.
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 Resolutions as

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 (“RBI”) 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 approval granted by RBI vide letter no. Ref CO.DOS.RPD. No. S943/08.37.005/2024-25 dated May 07, 2024, M/s. Varma & Varma, Chartered Accountants (Registration No. 004532S), 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 29th Annual General meeting until the conclusion of the 32nd Annual General Meeting of the Bank for a continuous period of three (3) years (from FY 2024-25 to FY 2026-27) subject to the approval of RBI on an annual basis and the 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. Varma & Varma, Chartered Accountants (Registration No. 004532S) and M/s. B S R & Co LLP, Chartered Accountants (Registration No. 101248W/W100022), who were already appointed as one of the Joint Statutory Auditors of the Bank at the 28th Annual General Meeting of the Bank held on June 22, 2023, shall act as the Joint Statutory Auditors of the Bank for the remainder of the term of M/s. B S R & Co LLP, Chartered Accountants, at overall audit fees of ₹2.05 Crore (Rupees Two Crore and Five Lakh Only) per annum for FY 2024-25, to be allocated by the Bank between M/s. B S R & Co LLP, Chartered Accountants and M/s. Varma & Varma, Chartered Accountants, 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 up to 5% of audit fees and taxes as applicable and that M/s. Varma & Varma, 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 2026-27 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.”

5. To approve the payment of additional remuneration to M/s. B S R & Co. LLP, Chartered Accountant, one of the Joint Statutory Auditors of the Bank, for FY 2023-24, and in this regard, to consider, and if thought fit, to pass, the following resolution as **Ordinary Resolution:**

“RESOLVED THAT pursuant to Section 142 and other applicable provisions, if any, of the Companies Act, 2013 and the relevant rules thereunder, in addition to the resolution passed by the Members of the Bank on June 22, 2023 for payment of overall audit fees of ₹1.65 Crore (Rupees One Crore and Sixty Five Lakh Only) 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, further approval of the Members of the Bank be and is hereby accorded for payment of additional remuneration of ₹15,00,000 (Rupees Fifteen Lakh Only) to M/s. B S R & Co LLP, Chartered Accountants, towards the substantial increase in their scope of work emanating from various circulars/ notifications issued by the Reserve Bank of India or other regulatory authorities, for FY 2023-24, in addition to out of pocket expenses and taxes as applicable.

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 regard to implementation of the resolution, without being required to seek any further consent or approval of the Members of the Bank.”

Special Business:

6. **Appointment of Mr. Praveen Achuthan Kutty (DIN: 10329590) as a Director of the Bank.**

To consider and if thought fit, to pass the following Resolutions, as **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read with the relevant Rules made thereunder, the applicable provisions of the Banking Regulation Act, 1949, and the rules, guidelines, circulars and notifications issued by the Reserve Bank of India (the “RBI”), from time to time, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “SEBI Listing Regulations”) and any other applicable laws [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 pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Bank, Mr. Praveen Achuthan Kutty (DIN: 10329590), who was appointed as an Additional Director of the Bank, with effect from April 29, 2024 till the ensuing annual general meeting, be and is hereby appointed as a Director of the Bank.

RESOLVED FURTHER THAT the Board of Directors of the Bank be and is hereby authorized to execute all such agreements, 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)/ Official(s) of the Bank, to give effect to this Resolution.”

7. Appointment of Mr. Praveen Achuthan Kutty (DIN: 10329590) as the Managing Director & Chief Executive Officer of the Bank, for a period of three (3) years, w.e.f. April 29, 2024, on the terms and conditions relating to the said appointment, including remuneration, as approved by the RBI.

To consider and if thought fit, to pass the following Resolutions, as **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 196 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”), read with the relevant Rules made thereunder, Section 10B(1A)(ii) and Section 35B of the Banking Regulation Act, 1949 and the rules, guidelines, circulars and notifications issued by the Reserve Bank of India (the “RBI”), from time to time, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “SEBI Listing Regulations”) and any other applicable laws [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

pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Bank, consent of the Members of the Bank be and is hereby accorded for the appointment of Mr. Praveen Achuthan Kutty (DIN: 10329590), as the Managing Director & Chief Executive Officer (the “MD & CEO”) of the Bank, for a period of three (3) years, with effect from April 29, 2024 up to April 28, 2027 (both days inclusive) as approved by the RBI vide its letter No. DoR. GOV.No.5981/29.03.001/2023-24 dated January 16, 2024 AND THAT Mr. Praveen Achuthan Kutty shall not be liable to retire by rotation in terms of the relevant provisions of the Act and the Articles of Association of the Bank;

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Act, Section 35B of the Banking Regulation Act, 1949, and the rules, guidelines, circulars and notifications issued by RBI, from time to time, and any other applicable laws (including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereto, for the time being in force) and the provisions of the Articles of Association of the Bank and pursuant to the recommendation of the Nomination and Remuneration Committee and approval by the Board of Directors of the Bank, consent of the Members of the Bank, be and is hereby accorded for the payment of remuneration to Mr. Praveen Achuthan Kutty (DIN: 10329590), as the MD & CEO of the Bank, with effect from April 29, 2024, to the extent approved by the Nomination and Remuneration Committee, the Board of Directors, the RBI and any further approval as may be required from time to time.

RESOLVED FURTHER THAT that the Board of Directors of the Bank, be and is hereby authorised to fix the actual amount of remuneration (including perquisites), payable or to be provided to Mr. Praveen Achuthan Kutty and vary or increase the same from time to time, within the limits approved by the Members, to the extent the Board may consider appropriate and as may be permitted or authorised by the RBI, on an application made by the Bank.

RESOLVED FURTHER THAT the Board of Directors of the Bank be and are hereby authorized to execute all such agreements, 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)/ Official(s) of the Bank, to give effect to this Resolution.”

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

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

“**RESOLVED THAT** pursuant to Section 42 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), 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/ notifications 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 Act) 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 up to ₹500 Crore (Rupees Five Hundred Crore) (with green shoe option), 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 Officials 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.”

9. 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 **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 (Non Debt Instruments) Rules, 2019, 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 Members of the Bank be and is hereby accorded 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), 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.”

10. Increase in Borrowing Powers

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

“RESOLVED THAT in supersession of the Resolution passed by the Members of the Bank at the 26th AGM held on August 13, 2021 and pursuant to the provisions of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s)/ amendment(s)/ re-enactment(s) thereof for the time being in force) and as per the Articles of Association of the Bank, the approval of the Members of the Bank be and is hereby accorded to the Board of Directors of the Bank (the “Board”, which term shall be deemed to include any Committee which the Board may have constituted or may hereafter constitute or any delegatee for exercising the powers conferred on the Board by this Resolution and under Section 179 of the Act) for borrowing from time to time, any sum or sums of monies, which together with the monies already borrowed by the Bank (apart from deposits accepted in the ordinary course of business, temporary loans repayable on demand or within six months from the date of the loan or temporary loans, if any, obtained from the Bank’s bankers) may exceed the aggregate of the paid-up capital of the Bank and its free reserves, provided that the total outstanding amount so borrowed by

the Bank shall not at any time exceed ₹8,000 Crore (Rupees Eight Thousand Crore) or the aggregate of the paid up capital and free reserves, whichever is higher.

RESOLVED FURTHER THAT the Board of Directors of the Bank be and are 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)/ Official(s) of the Bank, to give effect to this Resolution.”

11. Approval for payment of remuneration to Mr. Farokh N. Subedar (DIN: 00028428), Non-Executive Part Time Chairman of the Bank for the Financial Year 2024-25 which would be in excess of fifty percent of the total annual remuneration payable to all the Non-Executive Directors of the Bank for said Financial Year.

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

“**RESOLVED THAT** pursuant to the provisions of Regulation 17(6)(ca) and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), applicable provisions of the Companies Act, 2013 (“the Act”) and the Rules made thereunder and the Banking Regulations Act, 1949 (including any amendments, statutory modification(s) and/or re-enactment thereof for the time being in force), the rules, circulars, notifications and guidelines issued by the RBI from time to time, Articles of Association of the Bank and pursuant to the recommendation of Nomination and Remuneration Committee, approval of the Board of Directors of the Bank and approval of the RBI dated January 31, 2023, the approval of the Members of the Bank be and is hereby accorded for the payment of fixed honorarium of ₹24,00,000/- p.a. (Rupees Twenty Four Lakh Only)

(in addition to the sitting fees for attending Board and Committee meetings and reimbursement of actual business related expenses and 1 club membership as approved by the Members vide resolution dated June 22, 2023) for the Financial Year 2024-25 and which would be in excess of fifty percent of the total annual remuneration payable to all the Non-Executive Directors of the Bank for said Financial Year to Mr. Farokh N. Subedar (DIN: 00028428), Non-Executive Part Time Chairman of the Bank and that the remuneration shall be payable in such manner as the Board and/ or a Committee thereof, may determine from time to time.

RESOLVED FURTHER THAT the Board (or any Committee of the Board), 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 Official(s) of the Bank to give effect to this Resolution.”

Place: Mumbai By Order of the Board of Directors
Date: May 15, 2024

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.dccb.com
e-mail: investorgrievance@dccb.com

NOTES:

- 1) Ministry of Corporate Affairs (‘MCA’) has vide its General Circular No. 09/2023 dated September 25, 2023 read with General Circular Nos. 17/2020 dated April 13, 2020 and 14/2020 dated April 8, 2020 (collectively referred to as “MCA Circulars”) in relation to “Clarification on holding of Annual

General Meeting (AGM) through Video Conference (VC) or Other Audio Visual Means (OAVM)” and the Securities and Exchange Board of India (“SEBI”) vide its Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 and in relation to “Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015” (collectively referred to as “SEBI Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the 29th AGM of the Members of the Bank is being held through VC / OAVM. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM only. The registered office of the Bank shall be deemed to be the venue for the AGM.

- 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 29th AGM along with the Annual Report 2023-24 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 2023-24 will also be available on the Bank’s website www.dccb.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 10 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, Wednesday, June 5, 2024 as the ‘Cut-off Date’, for the purpose of the 29th AGM and reckoning entitlement for voting on the Resolutions contained in this Notice. The remote e-Voting /voting rights of the Members/beneficial owners shall be reckoned on the Equity Shares held by them as on Wednesday, June 5, 2024 (“the Cut-off Date”) only.
- 8) 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@dccb.com for inspection by Members of the Bank from the date of circulation of this Notice up to the date of AGM, i.e. Wednesday, June 12, 2024.
- 9) 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. Wednesday, June 12, 2024.

10) 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. Wednesday, June 12, 2024. Members seeking to inspect such documents can send an e-mail to investorgrievance@dccb.com

11) **Dividend Related Information**

- i. The 'Record Date' for determining the names of Members eligible for dividend on Equity Shares, if approved at the AGM, is Friday, May 10, 2024.
- ii. Dividend as recommended by the Board of Directors, if approved at the AGM, will be paid on or after Thursday, June 13, 2024, by way of electronic mode or through physical dividend warrants (subject to fulfilment of conditions stipulated by SEBI regarding updating KYC details by the Shareholders holding shares in physical mode in their respective folios), to those Members whose names appear on the Register of Members / statements of beneficial position received from NSDL and / or CDSL at the close of business hours on Friday, May 10, 2024.

In case of non-updation of PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature in respect of physical folios, dividend/interest etc. shall be paid only through electronic mode upon furnishing all the aforesaid details in entirety.

Members holding shares in dematerialized form are requested to intimate before June 4, 2024, 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 and other pending KYC details as mentioned above. Communication details of R&T agent are as under:

Link Intime India Pvt. Ltd,
Unit: DCB Bank Limited
C-101, 247 Park, L.B.S. Marg,
Vikhroli West, Mumbai - 400083.
Tel. No.: . 810 811 6767;
Fax No.: 022 49186060
E-mail: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

- iii. In case the Bank is unable to pay dividend by electronic mode to members holding Shares in demat form due to incorrect/invalid bank account details, the bank shall despatch dividend warrant to such members.
- iv. 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 2024-25, 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 2024-25 does not exceed ₹5,000 (Rupees Five Thousand). 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://liiplweb.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://liiplweb.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 May 27, 2024 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 May 27, 2024, 6:00 p.m. (IST).

Shareholders may note that in case the tax on said 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:- dcbtax@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 before May 27, 2024. If any PAN is not linked with Aadhaar, 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 May 27, 2024.
- 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 (Rupees Fifty Thousand) 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 May 27, 2024 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@dccb.com

No communication on the tax determination / deduction shall be entertained after May 27, 2024. 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.

- 12) 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.
- 13) 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.
- 14) As per the SEBI Circular bearing reference nos. SEBI/HO/MIRSD/MIRSD-PoD- 1 / P/ CIR/ 2023 / 37

dated March 16, 2023, SEBI/HO/MIRSD/POD-1/P/ CIR/2023/181 dated November 17, 2023 and SEBI directives vide its e-mail to all Registrars and Transfer Agents ("RTAs") on January 23, 2024 Shareholders holding Shares in physical mode are required to update KYC details in their respective folios. **In case of non-updation of the KYC details viz. PAN or choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature in respect of physical folios, dividend/interest etc. shall be paid only through electronic mode upon furnishing all the aforesaid details in entirety.** 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.dccb.com/upload/pdf/For-Immediate-Attention-of-Shareholders-in-physical-mode%20-KYC-Update.pdf>

- 15) 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.
- 16) 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@dccb.com or online facility that may be provided and communicated by the RTA separately.

- 17) 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 5, 2024 through e-mail on investorgrievance@dcbbank.com. The same will be replied by the Bank suitably.
- 18) Since the AGM will be held through VC / OAVM, the route map is not annexed to this Notice.
- 19) **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”) along with the underlying Shares. Amount of such Unclaimed Dividend for FY 2016-17 along with the underlying shares would be due for transfer to the IEPF on July 7, 2024. In view of this, Members are requested to claim their dividends from the Bank, within the stipulated timeline.**
- 20) 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.
- 21) In accordance with the relevant MCA Circulars read with Circular dated October 7, 2024 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 2023-24 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
- 22) 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 5, 2024. The Notice and documents will be sent by e-mail only to those Members who register their e-mail addresses prior to this date.

23) 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 5, 2024 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 8, 2024 at 09.00 a.m. (IST) and ends on June 11, 2024 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 i.e. June 5, 2024 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 December 09, 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.

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

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:

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 CDSL 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 from the 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
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Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 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. 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 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
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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 1800 22 55 33
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.: 022-4886 7000 and 022-2499 7000

- (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	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat Shareholders as well as physical Shareholders) <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)	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. <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. There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutinizer for verification.
16. 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:**
- a. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-Voting.
 - b. 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.
 - c. 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.
 - d. Shareholders are encouraged to join the AGM through laptops for better experience.
 - e. Further, Shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
 - f. 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.
 - g. 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 6, 2024 (9.00 a.m. IST) to June 8, 2024 (5.00 p.m. IST) mentioning their name, demat account number/folio number, e-mail id, mobile number at investorgrievance@dcbbank.com.
 - h. The Shareholders who do not wish to speak during the AGM but have queries may send their queries in advance till June 8, 2024 (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.
 - i. 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.
 - j. 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.

- k. 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:

1. 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@dccb.com or RTA e-mail id rnt.helpdesk@linkintime.co.in
2. For Demat Shareholders -Please update your e-mail id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat Shareholders - Please update your e-mail id & mobile no. with your respective 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 1800 22 55 33

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 helpdesk.evoting@cdslindia.com or call on 1800 22 55 33.

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.dccb.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 Sundaram & Srinivasan, Chartered Accountants, (ICAI Registration No. 004207S), who were appointed as Joint Statutory Auditors of the Bank at the 26th AGM held on August 13, 2021 for a period of three years, will be completing their terms as a Joint Statutory Auditors after completion of 29th Annual General Meeting of the Bank. Further, M/s. B S R & Co LLP, Chartered Accountants (Registration No. 101248W/W100022), who were appointed as Joint Statutory Auditors of the Bank at the 28th AGM of the Bank held on June 22, 2023, will be continuing as Joint Statutory Auditors for their 2nd year, i.e. for FY 2024-25. M/s. B S R & Co LLP, 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 March 21, 2024 had recommended M/s. Varma & Varma, Chartered Accountants (Registration No. 004532S) 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 29th Annual General Meeting until the conclusion

of the 32nd Annual General Meeting of the Bank for a continuous period of three (3) years (from FY 2024-25 to FY 2026-27) 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 for approval of the RBI, the re-appointment of M/s. B S R & Co LLP, Chartered Accountants (Registration No. 101248W/W100022) for their 2nd year for FY 2024-25.

The RBI has vide its letter Ref CO.DOS.RPD.No. S943/08.37.005/2024-25 dated May 07, 2024 has approved the appointment of M/s. B S R & Co LLP, Chartered Accountants (Registration No. 101248W/W100022) and M/s. Varma & Varma, Chartered Accountants (Registration No. 004532S) as the Joint Statutory Auditors of the Bank for the FY 2024-25, being their second year and first year respectively.

Brief Profile of M/s. Varma & Varma, Chartered Accountants

Varma & Varma, a registered partnership firm of Chartered Accountants established on June 17, 1935. The firm currently has 33 partners, operates from 9 offices in 5 states across the country. The firm has more than 450 trained staff members, including qualified accountants. The firm is empanelled with the ICAI and various regulators in India. The firm has BFSI sector audit experience of more than 50 years.

Brief Profile of 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. It 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.

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. Varma

& Varma, Chartered Accountants (Registration No. 004532S) 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 29th Annual General Meeting until the conclusion of the 32nd Annual General Meeting of the Bank for a continuous period of three (3) years (from FY 2024-25 to FY 2026-27) 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 (Registration No. 101248W/W100022), the existing continuing Statutory Auditors of the Bank and M/s. Varma & Varma, Chartered Accountants (Registration No. 004532S), shall act as Joint Statutory Auditors of the Bank for the remainder of the term of M/s. B S R & Co LLP, and that M/s. Varma & Varma, 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 2026-27 onwards.

M/s. B S R & Co LLP, Chartered Accountants and M/s. Varma & Varma, Chartered Accountants as Joint Statutory Auditors of the Bank shall be paid overall audit fees of ₹2.05 Crore (Rupees Two Crore and Five Lakh only) per annum for FY 2024-25, to be allocated by the Bank between M/s. B S R & Co LLP, Chartered Accountants and M/s. Varma & Varma, 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 up to 5% of audit fees and taxes as applicable.

The Board of Directors recommends the appointment of M/s. Varma & Varma, Chartered Accountants (Registration No. 004532S) 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 29th Annual General meeting until the conclusion of the 32nd Annual General Meeting of the Bank for a continuous period of three (3) years (from FY 2024-25 to FY 2026-27) 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. B S R & Co LLP, Chartered Accountants as the Joint Statutory Auditors of the Bank for their 2nd year for FY 2024-25.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the passing of the Resolutions in item no. 4. Your Board recommends passing of the Resolutions in Item no.4 of the accompanying Notice.

Item No. 5

The Members of the Bank, on June 22, 2023, had approved the audit fees of ₹1.65 Crore (Rupees One Crore and Sixty Five Lakh Only) 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.

It is now proposed to approve the additional remuneration of ₹15,00,000 (Rupees Fifteen Lakh Only) to M/s. B S R & Co LLP, one of the Joint Statutory Auditors of the Bank, towards the substantial increase in their scope of work emanating from various circulars/ notifications issued by the Reserve Bank of India or other regulatory authorities, for FY 2023-24, in addition to out of pocket expenses and taxes as applicable.

The Audit Committee and the Board of Directors of the Bank vide their resolutions dated May 9, 2024 and May 15, 2024 respectively, have recommended payment of such additional remuneration to M/s. B S R & Co LLP, Chartered Accountants, subject to the approval of the Members of the Bank.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the passing of this resolution.

Your Board recommends passing of the resolution in Item no. 5 of the accompanying Notice.

Item Nos. 6 & 7

As the tenure of Mr. Murali M. Natrajan, Managing Director & CEO of the Bank, was due to expire on April 28, 2024, as part of the succession planning process of the Bank, the Nomination and Remuneration Committee and the Board of Directors (the "Board") of the Bank at their meetings held on October 20, 2023 shortlisted candidates, for the position of the Managing Director & Chief Executive Officer (MD & CEO) of the Bank and proposed the terms and conditions relating to the said appointment, including remuneration, subject to the approval of the shareholders, and recommended the same to the Reserve Bank of India (the "RBI") for its approval.

Pursuant to the application made by the Bank vide its letter dated October 23, 2023, the RBI, vide its letter dated DoR.GOV.No.5981/29.03.001/2023-24 dated January 16, 2024 granted its approval amongst the shortlisted candidates for the appointment of Mr. Praveen Achuthan Kutty (DIN: 10329590), as the MD & CEO of the Bank, for a period of three (3) years with effect from April 29, 2024.

Pursuant thereto, the Board, at its meeting held on March 21, 2024, pursuant to the recommendation of the Nomination and Remuneration Committee which held its meeting on March 19, 2024, appointed Mr. Praveen Achuthan Kutty as an Additional Director of the Bank, with effect from April 29, 2024 till the ensuing Annual General Meeting (AGM). In case, the shareholders appoint him as Director of the Bank, by approving and passing the resolution No. 6 pursuant to this Notice, the Board resolution to the extent it states that he will continue as Additional Director till the ensuing AGM shall as such come to an end with effect from the date of approval of shareholders in this AGM.

Pursuant to the aforesaid RBI Approval, the Board, at its meeting held on March 21, 2024, pursuant to the recommendation of the Nomination and Remuneration Committee which held its meeting on March 19, 2024, appointed Mr. Praveen Achuthan Kutty as the MD & CEO of the Bank, for a period of three (3) years, with effect from April 29, 2024 up to April 28, 2027 (both days inclusive) and approved his remuneration.

The RBI vide its letter has also approved the fixed pay payable to Mr. Kutty as the MD & CEO and has stated in the said letter that the targeted variable pay of Mr. Kutty as proposed by the Bank has been taken noted.

Remuneration details are provided below-

(A) For a period up to March 31, 2025 and effective April 29, 2024:

(1) Fixed Pay (including perquisites) (as approved by the RBI):

Sr. No.	Particulars of Remuneration	Amount Per Annum (in ₹)
1	Salary (Basic)	84,23,911
2	Dearness allowance (N.A.)	-
3	Retiral/Superannuation benefits	14,16,059
	(a) Provident Fund (As per Bank's rules) (12% of Salary (Basic))	10,10,869
	(b) Gratuity (As per Payment of Gratuity Act)	4,05,190
	(c) Pension (N.A.)	-
4	Leave Fare Concession/ Allowance (Payment as per the Bank's policy and taxability/ tax exemption as per the Income Tax Act, 1961)	7,01,992
5	Other fixed allowances, if any (please specify)	
	(a) Consolidated Benefit Allowance	1,07,22,888
	(b) Gas, Electricity and Water Charges (given in Annexure 1) Actuals at reasonable rates	-
6	Perquisites:	
(i)	House Rent Allowance (in case no residential accommodation is provided by the Bank) or Residence (fully furnished accommodation to be provided by Bank)	42,11,956
(ii)	Conveyance Allowance	-
(iii)	Use of Bank's car for: (If no car availed, allowance at ₹50,000/- p.m. per car to meet expenses on a net of tax basis)	19,00,000
(iii)	(a) For official purposes - One Car (Running and maintenance on Bank account - See Annexure 1 for details)	9,50,000
(iii)	(b) For private purposes. Second car for private use. (Running and maintenance on Bank account - See Annexure 1 for details)	9,50,000
(iv)	Driver(s)' salary (Reimbursement of salary, bonus, uniform, etc. to two drivers restricted in aggregate to ₹3 Lakh p.a.)	3,00,000
(v)	Membership of Clubs (2 Clubs) Cost of admission and Contribution	7,30,000
(vi)	Any other perquisites (please specify) - Meal Allowance	30,000
(vii)	Insurance & Medical Benefits**	
	- Medical Insurance Premium	19,370
	- Group Term Life & Critical Insurance	63,906

Sr. No.	Particulars of Remuneration	Amount Per Annum (in ₹)
	- Group Personal Accident insurance	9,620
	- Reimbursement of medical expenses	50,000
	Total Fixed including Perquisites	2,85,79,702

Note: (As per Part A of Table hereinabove)

**Insurance & Medical Benefits

- Group Personal Accident Insurance & Critical Illness cover as per policy of the Bank. Group Insurance for actual death as per Scheme for employees (maximum upto 24 times of monthly salary (basic)). Health Insurance and hospitalization policy to cover Mr. Praveen Achuthan Kutty & his dependant family Members premia not exceeding ₹1,20,000/- per annum)
- Reimbursement of routine medical expenses on actual basis incurred by him or his dependant family Members not exceeding ₹50,000/- per annum. (The same should be allowed to be claimed on net of tax basis in case of non-availability of bills).

ANNEXURE 1 - for perquisites without monetary ceiling

a)	Use of Telephone/ Fax/ Mobile	Actuals
b)	Gas & Electricity charges	Actuals
c)	Water Charges	Actuals
d)	Entertainment Expenses	Actuals
e)	Travelling and Halting Allowance	Actuals
f)	Car running and maintenance expenses - 2 cars, 1 for Official and Personal use	Actuals
g)	Membership of Clubs - Annual Cost of Subscription	Actuals

Notes:

- (a) Use of Telephone / Fax / Mobile: Telephone & cell phone expenses on actuals
(Use of 3 Telephones / mobile phone - One as a telephone and Blackberry/ i-phone/ any other hand-held instrument for official purpose / other internet connectivity as the case may be. Reimbursement of expenses at actuals)
- (b) Entertainment expenses reasonably incurred will be reimbursed against presentation of receipts / evidence
- (c) Travelling and Halting Allowance (Actuals for the Bank's business)
- (2) Variable component of Remuneration:

Particulars	Proposed (In ₹)
For FY/ Performance Period	FY 2024-25 (Target Variable Pay)
PART-B:	
Variable Pay:	100% of the fixed pay
1. Cash component	Not more than 50% of variable pay
• Upfront payment (with %)	50% of cash component
• Deferred payment (with %)	50% of cash component
Total cash component	50% of variable pay
Vesting period (in years)	3 years
Deferral arrangement	
(i) First Year	33%

Particulars	Proposed (In ₹)
(ii) Second Year	33%
(iii) Third Year	34%
(iv)	NA
2. Non-cash Components	50% of variable compensation
(Share-linked instruments):	
(i) ESOP/ESOS/ CSAR	50% of variable compensation
(a) Number of share/ share-linked instruments	Number of options shall be based on the valuation as per Black Scholes method at the time of grant next year to be approved by NRC/ Board.
(b) Monetary value	At least 50% of variable pay
(c) Deferral (with %)	100%
(d) Vesting schedule details	3 years
(ii)(Any other share-linked instruments)	-
(a) Number of share/ share-linked instruments	
(b) Monetary value	
(c) Deferral (with %)	
(d) Vesting schedule details	
(iii) Any other non-cash component (please specify) and mention its monetary value, deferral, vesting schedule, etc.	NA
Total monetary value of non-cash component(s)	At least 50% of variable pay
Total monetary value of Variable Pay (Cash and non-cash components)	100% of fixed pay
% of Cash Component in Total Variable Pay	50% of variable pay
% of Non-cash component in Total Variable Pay	50% of variable pay
% of Variable Pay to Fixed Pay and	100% of fixed pay
% of Variable Pay in Total Compensation (for the same FY/Performance Period)	50% of total compensation
Total Compensation	5,71,59,405
(Fixed Pay + Variable Pay)	(Fixed pay of 2,85,79,702 + Target Variable pay of 2,85,79,703)

Note-

- a) As per the prevailing RBI Guidelines on Compensation, the total variable pay of MD & CEO shall be limited to and cannot exceed a maximum of 300% of his fixed pay. Further, such variable pay shall be inclusive of cash as well as share-linked components.
- b) The variable pay shall be subject to performance review by the Nomination and Remuneration Committee of the Board based on the criteria of evaluation as may be fixed by the NRC/ Board from time to time and
- as approved by Board and Reserve Bank of India.
- (B)** For the period after March 31, 2025 and subject to the approval of the RBI as may be required: Mr. Praveen Achuthan Kutty shall be entitled to:
- (i) annual or other increments and/or revisions during the rest of his tenure, to the aforesaid fixed pay remuneration mentioned in (A) above; and

- (ii) the components of the variable pay (which will have an upper ceiling of such percentage of the fixed pay as prescribed by the RBI Compensation Guidelines, as amended from time to time), as per the policies of the Bank and as may be approved by Nomination and Remuneration Committee and the Board of Directors of the Bank and subject to the approval of the RBI or other relevant authority. It may be noted that in terms of the RBI Compensation Guidelines, currently the total variable pay shall be limited to a maximum of 300% of the fixed pay. Further the variable pay, as per the RBI Compensation Guidelines shall be inclusive of Cash as well as any Share-linked instruments. The reference performance period in a given year shall be from April 01 to March 31 every year.

In case of absence or inadequacy of profits in any Financial Year, the fixed pay and perquisites (subject to annual review from time to time) as approved by the Nomination and Remuneration Committee, the Board of Directors and the Reserve Bank of India shall be the minimum remuneration payable to Mr. Praveen Achuthan Kutty.

Approval of the Members of the Bank is being sought for the payment of remuneration up to April 28, 2027 to Mr. Kutty as the MD & CEO of the Bank, subject to approval of the RBI.

Pursuant to the relevant provisions of the Articles of Association of the Bank, Mr. Praveen Achuthan Kutty shall not be liable to retire by rotation in terms of the provisions of Section 152 of the Act, during his tenure.

Mr. Praveen Achuthan Kutty is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Bank. In the opinion of the Board, he fulfils the conditions for the said appointment as prescribed under the relevant provisions of the Act and the relevant Rules made thereunder, the SEBI Listing Regulations, the Banking Regulation, Act, 1949 and other guidelines issued by the RBI, from time to time. Mr. Kutty has the requisite qualifications, skills, experience and expertise in specific functional

areas, which are beneficial to the Bank. He has affirmed that he is not de-barred from holding office of Director by virtue of any order of Securities and Exchange Board of India or any other such authority.

Since the said appointment has been recommended by the Nomination and Remuneration Committee, the requirement of submission of a notice by a Member proposing the candidature of Mr. Kutty as a Director of the Bank, under Section 160 of the Act, is not applicable.

None of the Bank's Directors, Key Managerial Personnel and their relatives, other than Mr. Kutty and his relatives are concerned or interested in the passing of these resolutions.

Your Board recommends passing of the resolutions set out in Item Nos. 6 & 7 of the accompanying Notice.

A brief profile of Mr. Praveen Achuthan Kutty and the information in terms of the Regulation 36(3) of the SEBI Listing Regulations and the Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), has been provided below:

Brief profile	Mr. Praveen Achuthan Kutty is a career banker with over 32 years of experience in all aspects of Retail & SME banking. He has been an integral part of DCB Bank leadership team for the past 16 years during which time he has played a pivotal and key role alongside the current MD & CEO and Management Team in turnaround and building the Bank. At present he manages Retail, SME and Agri Banking. Prior to joining DCB Bank, he worked in Citibank. His last assignment in Citibank was in New York, as the Head for Non-Resident Indian Business, for US & Canada. Mr. Praveen holds a B Com and MBA degree.
Expertise in specific functional areas	<ul style="list-style-type: none"> a) Banking b) Payment and Settlement Systems c) Risk Management d) Accountancy and e) Business Management
Date of first appointment on the Board	April 29, 2024
Number of meetings of the Board attended during the year	Not Applicable
Other Directorships	None
Memberships/ Chairmanships of committees of the Boards of other companies	None
Number of shares held in the Bank	4,04,000 Equity Shares
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	No
Terms and conditions of appointment or reappointment including remuneration	Appointment as the MD & CEO of the Bank for a period of three (3) years effective April 29, 2024, not liable to retire by rotation. Remuneration shall be as determined by the Nomination and Remuneration Committee, the Board and as approved by the RBI, from time to time. Current proposed remuneration given in the explanatory statement of Item No. 7 of this Notice

Item No. 8

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 April 24, 2024 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 up to ₹500 Crore (Rupees Five Hundred Crore) (with green shoe option) 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. 8 of this Notice.

None of the Directors or Key Managerial Personnel of the Bank and/ or their relatives are concerned or interested, financially or otherwise, in the passing of this Resolution. Your Board recommends passing of the Special Resolution as set out in Item No. 8 of this Notice for approval by the Members of the Bank.

Item No. 9

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

The proposed Resolution relates to the proposed Issue of Equity Shares/ other securities convertible into Equity Shares (“Securities/ 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).

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 (Rupees Four Thousand Three Hundred Forty Eight 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. 9 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. 9 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. 9 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. 10

In terms of Section 180(1)(c) of the Companies Act, 2013, borrowings by the Bank (apart from the deposits accepted in the ordinary course of business by the Bank, temporary loans repayable on demand or within six months from the date of the loan, and temporary loans, if any, obtained from the Bank's bankers, other than loans raised for the purpose of financing expenditure of a capital nature), in excess of the paid-up capital of the Bank and its free reserves, require the approval of the Members by way of Special Resolution.

Under Section 180 of the Act, the aforementioned powers of the Board can be exercised only with the prior consent of the Members of the Bank by a Special

Resolution. Such an approval from the Members was last secured at the 26th AGM held on August 13, 2021 by which the Borrowing limit was increased to ₹6,500 Crore (Rupees Six Thousand Five Hundred Crore).

Considering the growth in business and operations of the Bank, opportunity to raise attractive borrowings as per the guidelines of the RBI on Issue of Long Term Bonds by Banks for financing including that of Infrastructure and Affordable Housing, Basel III guidelines on limit of additional Tier I and /or Tier II capital to be considered for Capital Fund purpose as well as opportunity to obtain refinance from term lending institutions, your approval is being sought to increase the borrowing limits as specified in the Resolution.

None of the Directors or Key Managerial Personnel of the Bank or their respective relatives are concerned or interested, financially or otherwise, in the passing of the Special Resolution at Item No.10.

Your Board recommends the Resolution at Item No.10 of the accompanying Notice for the approval of the Members of the Bank by way of a Special Resolution.

Item No. 11

The Board of Directors of the Bank based on the recommendation of the Nomination and Remuneration Committee (NRC) had approved the appointment of Mr. Farokh N. Subedar (DIN: 00028428) as Independent Director of the Bank for a period of three (3) years from October 15, 2022 to October 14, 2025 (both days inclusive) which was approved by the Members of the Bank through postal ballot dated December 20, 2022.

Further, 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 N. Subedar as Non-Executive Part-Time Chairman of the Bank for 3 (three) years with effect from January 31, 2023 at fixed honorarium ₹24,00,000/- p.a. (Rupees Twenty Four Lakh Only) plus reimbursement of actual business-related expenses and one (1) club membership in addition to the sitting fee for attending Board and Committee meetings. The Members of the Bank in the Annual General Meeting held on June 22, 2023, approved the payment of remuneration to Mr. Subedar as approved by the RBI.

In terms of provisions of Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("SEBI Listing Regulations"), the Bank is required to obtain approval of Members of the Bank, by way of Special Resolution, if such annual remuneration to a single non-executive director exceeds 50% of the total annual remuneration payable to all the non-executive directors in any Financial Year.

Currently, 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.

Accordingly, remuneration/ fixed honorarium of ₹24,00,000/- p.a. (Rupees Twenty Four Lakh Only), in addition to the sitting fees and reimbursement of expenses for attending the meetings of the Board and Committees, payable to Mr. Farokh N. Subedar would exceed 50% of the total annual remuneration payable to all the non-executive directors during FY 2024-25. Hence, approval of Members is sought by way of Special Resolution to enable the Bank to make payment of remuneration to Mr. Farokh N. Subedar, Non-Executive Part Time Chairman of the Bank for FY 2024-25.

Your Board, therefore, recommends passing of the Special Resolution as set forth in Item No. 11 of this Notice.

Except Mr. Farokh N. 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.

By Order of the Board of Directors

DCB Bank Limited

Rubi Chaturvedi

Company Secretary

Place: Mumbai

Date: May 15, 2024

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

Annexure-I

Details of Mr. Iqbal Khan, who retires by rotation and being eligible, offers himself for re-appointment in the 29th 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	46 years
Date of the first appointment on the Board	July 15, 2017
Number of Meetings of the Board attended during the year	12
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 corporates, 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-Ninth (29th) 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 (FY) ended March 31, 2024 (FY 2024).

In FY 2024, the Bank has posted an Operating Profit of ₹864.44 Crore (FY 2023 ₹786.73 Crore) and a Net Profit of ₹535.97 Crore (FY 2023 ₹465.56 Crore).

Total Assets have increased by ₹10,671.10 Crore and reached ₹63,036.97 Crore as on March 31, 2024 (₹52,365.87 Crore as on March 31, 2023).

Customer Deposits have increased by ₹7,346.92 Crore and Advances have increased by ₹6,546.52 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 3.65% in FY 2024 as compared to 3.93% in FY 2023 and the Current and Savings Accounts (CASA) ratio stood at 26.02% as on March 31, 2024.

Cost to Income Ratio has increased to 64.01% in FY 2024 from 63.00% in FY 2023. Total Branch network stood at 442 as on March 31, 2024 (427 as on March 31, 2023) and Automated Teller Machines (ATMs) network was 418 as on March 31, 2024 (396 as on March 31, 2023).

Provisions Other Than Tax have decreased to ₹142.48 Crore in FY 2024 from ₹159.17 Crore in FY 2023. Your Bank has been making conservative provision for Non-Performing Assets (NPA). In addition, the Bank has also been making periodic Floating Provision and provision against Standard Assets.

Gross NPAs have increased to ₹1,353.47 Crore as on March 31, 2024 from ₹1,122.84 Crore as on March 31, 2023. Consequently, Gross NPA Ratio as on March 31, 2024 was 3.23% as compared to 3.19% as on March 31, 2023. Net NPAs have increased to ₹454.33 Crore as on March 31, 2024 as against ₹356.92 Crore as on March 31, 2023. Consequently, Net NPA Ratio as on March 31, 2024 was 1.11% as compared to 1.04% as on March 31, 2023. The overall NPA Provision Coverage Ratio as on March 31, 2024 was 77.30% (79.34% as on March 31, 2023).

Return on Assets (RoA) Ratio in FY 2024 was 0.93% as compared to 0.97% in FY 2023. Corresponding Return on Equity (RoE) Ratio in FY 2024 was 12.05% as compared to 11.70% in FY 2023.

Capital Adequacy Ratio (CAR) under Basel III as on March 31, 2024 stood at 16.59% (17.55% as on March 31, 2023).

FINANCIAL SUMMARY

(₹ in Crore)

Balance Sheet	As on March 31, 2024	As on March 31, 2023	Increase / (Decrease)
Customer Deposits	44,486.68	37,139.76	7,346.92
Inter Bank Deposits	4,866.35	4,099.15	767.20
Total Deposits	49,353.03	41,238.91	8,114.12
<i>[Including Total CASA*]</i>	<i>[12,842.44]</i>	<i>[10,895.61]</i>	<i>1,946.83</i>
Advances	40,924.56	34,378.04	6,546.52
Gross - NPA	1,353.47	1,122.84	230.63
Net - NPA	454.33	356.92	97.41
Total Assets	63,036.97	52,365.87	10,671.10

*Current and Savings Accounts (CASA)

Profit & Loss	For the year ended March 31, 2024	For the year ended March 31, 2023	Increase / (Decrease)
Interest Income	5,362.04	4,200.27	1,161.77
Interest Expense	3,434.14	2,483.26	950.88
Net Interest Income	1,927.90	1,717.01	210.89
Non-Interest Income	474.24	409.39	64.85
Total Operating Income	2,402.14	2,126.40	275.74
Operating Cost	1,537.70	1,339.67	198.03
Operating Profit	864.44	786.73	77.71
Provisions Other than Tax	142.48	159.17	(16.69)
Net Profit Before Tax	721.96	627.56	94.40
Tax	185.99	162.00	23.99
Net Profit After Tax	535.97	465.56	70.41

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, 2024 (₹1.25 per equity share of ₹10.00 each for the Financial Year ended March 31, 2023).

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 by adapting "best practices" while ensuring strong governance, good working atmosphere for employees and be responsible towards society and environment.

TARGET MARKET

Keeping in view our 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 Parlor, 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 occupations is endless. The target market is essentially Micro, Small and Medium Enterprises both in Manufacturing and Services. (Please refer to MSMED Act, 2006). Most of the 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 RATING

During the FY 2024, CRISIL Ratings Limited reaffirmed the Bank's rating for Tier II Bonds (under Basel III) as CRISIL AA-/Stable and reaffirmed its rating of the Bank's Certificates of Deposit Programme and Short-term Fixed Deposit Programme as CRISIL A1+.

AWARDS AND RECOGNITION

Your Bank continued to be recognized for its progress and initiatives across the various business and functions. The details of various awards/recognitions received by your Bank during FY 2024 are given below:

Corporate Social Responsibility (CSR)

CSR Journal of Excellence Award

The CSR project of the Bank for household biogas units in Adilabad district, Telangana was adjudged the runner-up at the CSR Journal Excellence Awards 2023 in the environment category. The household biogas units in rural household project, provides organic fertilizer, and cleaner bio-cooking fuel. It reduces methane emission which is a known cause greenhouse effect.

ACEF Award

The Bank was awarded Gold in the Grand Prix 2023 category in recognition of overall Excellence in Social Responsibility by focusing on projects in remote locations to contribute to society and create sustainable livelihood opportunities for tribal communities. The Bank's projects for, coastal ecosystem-based livelihoods through beekeeping, livelihood improvement program through aquaculture, mangrove plantation and rainwater recharge wells were recognized in this category.

The Bank's CSR partnership project Protection of Wildlife Corridor via Reforestation and Alternative Livelihood Programme - Panna Tiger Reserve, Madhya Pradesh, in collaboration with Last Wilderness Foundation won Best Corporate (non-Profit partnership category). This is aimed to incentivize local communities and protect the region by introducing initiatives and pilot schemes that would reduce animal / human conflict, protect biodiversity, and provide alternative sources of income to individuals living near animals.

Human Resources (HR)

The Bank continues to be certified as a Great Place to Work (GPTW) for 8th consecutive year while also securing a spot in the top 10 organizations in the country in the Health and Wellness Segment in this year.

DCB Bank was recognized in the Ambition Box Employee Choice Awards 2024, won the title for the Most Preferred Workplace BFSI 2023-24 (2nd edition), and got recognition for Best Employee Engagement Strategy Award in the India HR Summit Awards 2023.

The Bank was recognised by Great Place to Work (GPTW) for featuring among India's Best Workplaces™ in BFSI 2024 : Top 50

Information Technology (IT)

DCB Bank won **Best Technology Talent Award – Special mention** from IBA – Retail Banking during 19th Annual Technology conference.

The Bank won **Gold Award** in Product Innovation Category – **Infosys Finacle Innovation Awards 2023** for DCB Zippi Plus

Express BFSI Technology Awards 2023 on Enterprise Applications for new Mutual Fund Application & Analytics/ Big Data

Branch Expansion & ATM

The number of branches, as on March 31, 2024, stood at 442 [242 Retail branches and 200 branches in Agri and Inclusive Banking (AIB)]. Of these, 82 branches are in rural areas (approximately 19%) and 111 branches are in semi-urban areas (approximately 25%). The focus has been on using cost effective eco-friendly material for refurbishing while creating a standard uniform look and feel to provide a unique, positive, and seamless banking experience to customers.

The Bank had 418 ATMs as on March 31, 2024.

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.

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 2024, 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.

In FY 2024, the Bank launched DCB Happy Savings Account with cashback for UPI transactions (both incoming and outgoing). Customers can receive cashback (subject to conditions) up to ₹7,500 per year on eligible UPI transactions. UPI transactions are ubiquitous, therefore the more transactions an individual

does via DCB Happy Savings Account, the more one stands to earn as cashback. DCB Happy Savings Account has received a very encouraging response from both customers and prospects.

The Bank's Savings Account and Fixed Deposit book recorded a growth of 19% and 20 % respectively over the FY 2023. The top 20 deposits ratio was at 6.57% at the end of FY 2024 as compared to 6.96% at the start of the year.

Mortgage and Micro Mortgage Loans

Mortgage is the prime lending product for the Bank and contributes more than 50% of the Bank's Advances book. As part of the Mortgage business, the Bank offers both Home Loan and Business Loans to self-employed and salaried segments in the neighborhood 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 continued to expand very well during FY 2024 with increased sourcing from the targeted segments. The Bank increased its distribution in the Mortgage business by adding frontline headcount and expanding its 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 utilisation of funds towards project completion. In FY 2024, 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. The business has around 200 quality customers spread across Ahmedabad, Baroda, Bengaluru, Chandigarh, Delhi, Hyderabad, Mumbai, Pune, Surat, and Vishakhapatnam.

Commercial Vehicle (CV) Loan

CV Loan is selectively and mostly offered to existing customers or in a few promising locations.

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 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

The Bank has a dedicated NRI unit. Depending upon the opportunity, the Bank has specialized Relationship Managers in select branches across India. In FY 2024, NRI Savings Account balances grew by 8% and FCNR (B) deposits grew by more than 60%. NRI customers contribute to 7.36% of total deposits. We have opened 1134 new NR accounts in FY 2023-24 and have a team of 30 dedicated NR RM's catering to a base of 11,342 clients.

Government business (Collection of Direct and Indirect Taxes)

The Bank has integrated with Government of India Income tax portal [TIN 2.0] and Goods and Service Tax [GST] portal. This enables the taxpayer to make all types of Direct Taxes and GST payments using online and at branches. Further, it provides a convenient way for individuals and businesses to pay their tax seamlessly.

COLLECTIONS AND RECOVERIES

The Bank's Collections & Recoveries is fully managed by in-house staff dedicated to delivering exceptional service while strictly adhering to RBI guidelines to prevent financial leakages. This unified scalable team manages all the Bank's products and operates across 475 locations pan India. In response to the challenges posed by the Covid-19 pandemic, the Bank has expedited system improvements to offer maximum self-service options to customers and strengthen monitoring systems. Further, the Bank's efforts to improve the customer experience have been substantial for example the Bank has leveraged digital channels to provide coaching and education on payment habits, payment options, understanding of financial products, etc. to customers. This proactive approach not only reduces cash handling and reconciliation challenges but also enables customers to make timely repayments through multiple online channels.

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

Bancassurances

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 Ltd.	ATM and Switch Management
Aditya Birla Finance Ltd.	Lending Business

Fintech Alliances

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

Trade Receivables Discounting System (TReDS) Alliances

Name of the Partner	Type of Arrangement
Mynd Solution Private Ltd. (Mlxchange)	Lending on TReDS Platform
Receivables Exchange of India Ltd. (RXIL)	Lending on TReDS Platform
A. TReDS Ltd. (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 diversified 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 43 new to Bank customers across different products in FY 2024.

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 the right mix of products, enhance analytics, ensure strong promoter connect, cash flow understanding and tracking.

MSME & SME

The Bank's core target segment is MSMEs/ SMEs. It is a large and vibrant sector. It is the backbone of our economy. This segment has 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 personalised services including Working Capital, 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 March 31, 2024, AIB had 200 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 endeavour 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 2024, the Bank actively participated in PMJDY programme. The Bank had 46,908 PMJDY accounts as on March 31, 2024. 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 5,124 customers under PMSBY, 2,362 customers under PMJJBY and 7,768 customers in APY as on March 31, 2024.

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 29,464 BSBDA accounts as on March 31, 2024.

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 (KCC)

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, fertilizers, pesticide for crops cultivation and Term Loan facilities for land levelling, irrigation and purchasing farm equipment.

Tractor Loan

Tractor Loan is an integral part of the total agricultural equipment and is a direct indicator of growth in the agricultural sector. The Bank has steadily built its business across Tier 2 to Tier 6 locations. Tractor loans help 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.

Educational Institute Loan

The Bank has a lending program 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 the institution conducting inter alia detailed study of the school, number of students, curriculum, financials, cash flows and promoter reputation. This product helps the Bank to cater to 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. As at the end of FY 2024, the Bank has active Co-Lending Partnerships with Nine (9) NBFCs. The Bank has a well diversified Co-Lending product portfolio with multiple products such as Gold Loans, School Finance, Business Loans, Micro enterprise Loans, Housing Loans etc. Co-Lending continues to be an integral part of Bank's business growth plans.

ALTERNATE CHANNELS AND DIGITAL BANKING

Phone Banking

In FY 2024, the Bank's Customer Care Associates attended to approximately 67,000 calls per month and 19,000 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 further enhanced its self-service options by adding loan products and Re-KYC for deposit products through "IVR" which allows customers to access their account much easier than before. Further, 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 routed to the branches using a unique technology solution. This has in some ways redefined call center and customer service in the industry. Keeping our focus to ensure minimum time is spent by customer on the call, the Bank has invested in knowledge management tool, to ensure the associates get information in the shortest possible time without making the customer wait.

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 inter alia of new technology, load balancing, multi skilled officers, regular intervention by the training team has enabled the contact center team to provide timely and quality service to customers.

ATMs

The Bank has 418 ATMs as on March 31, 2024, all of which are Braille Keypads enabled. The Bank ensured that ATM uptime was maintained at above 95% in the FY 2024.

DCB Mobile and Internet Banking

Approximately 131,000 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 with a rating of 4.5. During FY 2024, your Bank has added non-financial features like PAN card updating, Interest Certificate extraction etc.

DCB Internet Banking has around 30,000 retail users and the platform is rich with a plethora of digitally managed services that has reduced the need for customers to visit branches for their transactions.

DCB Unified Payment Interface (UPI) and Bharat Bill Payment System (BBPS)

UPI continues to be the dominant channel for digital payments and our UPI platform has shown substantial growth in FY 2024, with a remarkable increase in transaction volume and value, strengthening the Bank's position in the digital payments space. The Bank has successfully processed over 48 million transactions in FY 2024 with 96% success rate, a testament to our robust infrastructure and widespread consumer acceptance.

In line with the Bank's commitment to innovation, the Bank has launched new features such as UPI Autopay for recurring payments and in the process of introducing UPI International to facilitate seamless cross-border transactions. The Bank has launched the UPI Lite on March 29, 2024 to boost up low value offline retail payments. These enhancements have not only improved user experience but also expanded the "use case" for UPI, driving greater financial inclusion.

The BBPS platform has seen unprecedented growth this fiscal year, and the Bank has made about 22,000 billers available on the Bank's front channels like Mobile Banking and Internet banking. The number of active billers on the Bank's platform led to a significant uptick in consumer convenience and usage, as more users are now able to pay a wider array of bills, ranging from utilities to school fees, through a single interface.

The Bank has also successfully integrated innovative solutions to the BBPS platform, reminders for bill payments and a unified online dispute redressal mechanism.

DCB Debit Cards

The Bank focuses on constantly improving offerings, features, and security on Debit Cards. It offers a wide range of Debit Card products like Platinum and Classic cards, as well as specialised cards like DCB Travel Smart, which is beneficial for international travellers as it offers a competitive foreign exchange mark up, as well as complimentary travel insurance. The Bank's cards also have 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 enabled instant response to customers for failed transactions.

DCB Niyo Global Card

DCB Niyo Global Card is a Debit Card powered by Visa and issued with DCB Niyo Savings Account. This program is segmented especially for customers travelling abroad which provides competitive exchange rates making the product a very 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. Customers are on-boarded using a complete end to end digital on-boarding journey.

Trade Receivables Discounting System (TReDS)

In FY 2021, the Bank commenced participation on Trade Receivables Discounting System (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 the flow of finance to MSMEs/ SMEs. During FY 2024, the Bank has financed more than 2,100 number of MSMEs through 5,500 Invoices in TReDS platform.

TRANSACTION BANKING

Cash Management Services (CMS)

The Bank provides Corporates, MSMEs/ SMEs and Retail customers sophisticated and cost-effective CMS. This helps customers manage their collection and payment logistics with ease. The Bank has 8 vendors for CMS

cheque collections across India. At the end of FY 2024, the Bank had 3,600 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 2024, BIB facility had 33,356 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) (Equity). It also shares the responsibility of interest rate risk management of the Bank. In FY 2024, the Bank strengthened the Treasury function by adding more expertise and improving system functionality. As a result, the Bank expects to have stronger controls and more products in the future. The Bank was cautious in managing fixed income securities as central banks across the globe remained hawkish. Yields on bonds across the world remained volatile with mixed signals of growth and sticky inflation. The Bank selectively invested in equity IPOs and booked profits by way of listing gains.

Money Market

Banking sector system liquidity remained tight and the RBI pro-actively injected liquidity through both the main and the fine-tuning repo operations to ease the situation. Short-term interest rates remained elevated, while long term interest rates were stable probably reflecting better anchoring of inflation expectations as indicated in the narrow term spread in the G-sec market. RBI, in its Monetary Policy statements, reiterated to remain nimble and flexible in its liquidity management through repo as well as reverse repo operations.

Foreign Exchange (FX)

The Bank's actively participated in the FX market and conducted proprietary trading, market making and managing flows for merchant transactions. The Indian Rupee remained stable and displayed low volatility, compared to currencies of emerging market, and select

advanced economies. This is despite a stronger US dollar and elevated US treasury yields. In our opinion, it reflects the strength and stability of the Indian economy, particularly the moderation in the Current Account Deficit, comfortable FX reserves and return of capital inflows. World Bank estimate indicates US\$ 135 billion in inward remittances for India during FY 2024. Hence, India would remain the largest recipient of remittances globally.

Foreign Portfolio Investments witnessed a sharp turnaround during FY 2024. Net accretions to NRI deposits and net inflows under External Commercial Borrowings were also higher during FY 2024. India's FX reserves stood well above US\$ 600 billion, and it is expected to rise further on account of expected large inflows in equity and bond instruments.

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.

Liquidity Coverage Ratio (LCR), a global standard to assess an organisation's ability to meet its payment obligations, is used as a measure to assess Bank's liquidity position. LCR level ensures that the Bank has an adequate stock of unencumbered High-Quality Liquid Assets (HQLA) that can be converted into cash easily and immediately to meet its liquidity needs under a 30-calendar day liquidity stress scenario. RBI has also mandated a minimum Net Stable Funding Ratio (NSFR) of 100% with effect from October 01, 2021. NSFR indicates that the Bank maintains a stable funding profile in relation to the composition of its assets and off-balance sheet activities. The Bank maintains LCR and NSFR above 100% on an ongoing basis.

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 its 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.

Business Continuity Management

The Bank has put in place a comprehensive Bank-wide Business Continuity Management (BCM) plan and procedure to ensure the continuity of critical operations of the Bank in the event of any disaster/ incident affecting business continuity. The Bank's Business Continuity Program is developed considering the criticality of the functions performed and the systems used. Periodic drills and tests are conducted to evaluate the effectiveness of the business continuity arrangements and necessary steps are taken wherever needed.

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) which is assisted by a Sub-Committee (MCAP-SuCo). 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 2023-24, 65 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

In FY 2024, understandably and expectedly, there was an increased dependence on digital technologies for banking needs. The Bank is looking forward to further adopting / embracing emerging technologies like AI/ML, Blockchain, IoT, Edge Computing, Robotic Process Automation, API Banking, Metaverse, conversational banking, Big Data to meet the ever-increasing expectations of the customers, improve operational excellence, customer interactions, security, and automation.

Following were some of the key achievements of Bank during FY 2024:

New Products / Features

- Major upgrade of FinnOne application to version 6.5 from 2.0, to cater to instalment loan products.
- Integration with the Government of India Income Tax Portal (TIN 2.0). The Bank is now designated Agency Bank to collect Direct and Indirect Taxes.
- Substantial upgrade of Treasury Investment Management (IM) and Money Market (MM) Module
- Digital acquisition of New To Bank customers in partnership with Niyo. This product offers unique feature rich DCB Niyo Global Debit Card, a world travel companion.
- The Bank has implemented Banca Edge insurance solution - Integrated end-to-end lead - based insurance sourcing model through use of fintech solution.
- IMPS enablement for NRI Customers
- UPI Autopay that will help UPI users set up standard instructions through UPI for recurring payments.
- E-signing and E-stamping Integration will help in shifting from offline to online mode of loan journey for customer, by simplifying process of signing and stamping of loan documentation.
- Upgrade of Anti Money Laundering (AML) solution with additional benefits like ETL (Extract, Transform & Load) and AI features.

- Internet Banking has evolved with additional of features such as Form 15G/15H Interest autofill and acknowledgement copy, Fixed Deposit Nominee Registration, NEFT/ RTGS payment mode.
- DCB Mobile Banking has been enhanced with the addition of features like Gold Loan, FATCA declaration, Fixed Deposit nominee registration, PAN update, Interest Certificate, Positive Pay, NEFT/ RTGS payment mode.
- Gradatim (front end Gold Loan) upgrade revamping Gold Loan application with the number of screens reduction for faster processing
- The Bank has enabled eBRC (Electronic Bank Realization Certificate) functionality. Exporters will now be able to self-generate the eBRC from the DGFT (Directorate General of Foreign Trade) system which is an API based solution. The Bank system will transmit the IRM (Inward Remittance Messages) and ORM (Outward Remittance Messages) details in DGFT system.
- The Bank has automated transactions with the TReDS (Trade Receivables and Invoice Discounting) platform. This is expected to reduce operational errors and improve productivity.
- Aadhaar based KYC refresh option is now available via Interactive Voice Response (IVR)
- As per RBI Payments Vision 2025, the current Cheque Truncation System (CTS) must be migrated from the architecture of three Regional Grids to a single National Grid. The Bank has successfully migrated CTS Northern grid and Southern Grid to the National Grid.
- In its endeavor to continuously improve IT infrastructure and capabilities, the Bank has started the cloud journey. This will enable the Bank to host cloud based digital business solutions and help leveraging in implementing scalable platforms.
- The Bank has implemented Application Centric Infrastructure (ACI) namely software defined network infrastructure. This is further strengthening the data center network infrastructure.

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 and technology 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 and analytics use cases in self-service MIS, cross-sell, revenue and 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, personalisation, productivity optimisation and data driven collection. In the past year, BIU has completed about 225 projects, developed over 100 models, launched 70 AI & ML enabled projects & deployed over 300 dashboards.

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 Centralised Payments Centre and clearing units operate 24x7 to cater to the customer needs. With focus on automation and improvements in productivity, the Bank is yielding desired results as the growth in volumes and 24x7 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 over 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. During FY 2024, the Bank processed on CUBE over 200,000 applications. About 90% plus of the account opening forms 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. KYC

refresh through CUBE biometric can be done within seconds, which is a huge delight for our customers.

A new Delivery Management System was implemented during FY 2024. The system provides end to end digitisation from print to dispatch, eliminating the entire manual activity, improving the turnaround time, and reducing operational errors. The Delivery Management System provides an online deliverable status to branches / contact centre for handling customer queries.

Centralised Payments Centre (CPC) which caters to all customer payments processing such as RTGS/ NEFT, CMS payments, and electronic banking transactions on 24x7 basis, handled about 218 lakh transactions with zero operational loss during the year. A new and innovative state-of-the-art NEFT / RTGS technology solution was implemented during the year to support 24x7 services and cater to increased volumes. Internet Payment Gateway Reconciliation and auto posting of refund and settlement were implemented in FY 2024. Cash Management Services (CMS) collection application was upgraded, and Debit Card Reconciliation System (DCRS) was enabled for auto posting in core banking.

Clearing services continue to operate on 24x7 basis and during FY 2024 processed 60.55 lakh transactions with zero operational loss.

CMS which provides cash to branches and ATMs ensured that the average cash holding throughout the year was maintained at 13% of the approved limit through proactive management of cash logistics thus ensuring that idle cash levels were maintained at barest minimum levels.

Central Payment Office that caters to the Bank's vendor bill payment and employees' re-imburements developed a complete digital service for vendors which is paperless and reduced the turnaround time by more than 50%.

Trade Finance Operations streamlined the process by integrating SFMS with core banking for both LC and BG issuance and automated the eBRC system as per DGFT requirements to ensure that Trade Business is further strengthened.

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 (IA)

IA function reports into the Audit Committee of the Board (ACB) which constitutes members with strong domain and audit knowledge. IA function comprises of Chartered Accountants, Bankers, post-graduates, and Information Technology professionals. The team has a healthy mix of experienced staff across the Banking domain and freshers. ACB oversees the IA function, monitors performance, and provides regular guidance for improving risk control and compliance across the Bank. During FY 2024, IA adopted different models for various audits and continued to enhance extensive use of data analytics, document verification, testing of Design and effectiveness along with walkthrough. The function has also initiated project to automate the audit workflow across several types of audits. The IA team makes use of various tools for analysis in the audits like SQL and SAS. In FY 2024, IA conducted 181 branch audits, 26 periodic audits, 2 Special Audits, 4 Thematic audits and 12 IT audits. IA team members continued to attend multiple online and in person training programmes conducted by IBA, RBI and other professional Institutes in various domain areas, 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 even this year, including fraud prevention. Some of the key initiatives include further enrichment of data points embedded into the monitoring tools, implementation of preventive mode across channels (Debit card, UPI, Internet Banking, Mobile Banking), implementation of monitor mode scenarios based on non-financial transactions like

transaction remarks, UPI VPAs, merchants, declined transactions history, incorrect card details, incorrect login password attempts, media/ open Source/ ROC strike of lists monitoring etc to enhance fraud detection and comply with regulatory guidelines. It has also enhanced the capabilities to identify the risks through their risk assessment methods and investigation like periodical review of transactions on volume and value in accounts where there is static data change like mobile number. Unit has enhanced the capabilities in reviewing and responding to the cybercrime complaints received from various Law Enforcement Agencies and take appropriate action including additional due diligence, name screening and transaction review. The unit identifies learnings from fraud incidents and industry practices to enhance its capability on a continuous basis including training on technical aspects of vigilance. 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)

Creating a good working atmosphere for employees and be responsible towards society and environment is integral part of the Bank's vision. Accordingly, the HR function strives to create and sustain a high-trust, high-performance culture, where the employees experience the our brand's tagline, "We Value You".

The HR practices and policies are directed towards strengthening the Bank on the cornerstones of our people philosophy – Build, Develop, Care, and Engage.

Build

- The Bank's headcount has crossed 11,000 during FY 2024.
- Aimed at boosting employer brand, the Bank's primary talent attraction platform, the official DCB Bank page on LinkedIn currently boasts over 4.33 Lakh followers. The Bank's Facebook has over 28,000 followers and Twitter has over 5,600 followers.
- The Bank enables employees with opportunities to traverse across business, functions and roles, meeting unique professional aspirations, and fostering a culture of learning.
- DCB Bank prioritizes engaging with the future workforce of the nation through its flagship B-school competition, Top Talent Recruit which has been recognized as an industry best practice. In its latest edition, the program covered more than 10,000 participants from 205 B-schools across the country. The higher participation bolsters the brand value the Bank is generating among the future job seekers.

Develop

The Bank is focused on talent development needs to support the business, promote cross functional learning, empower employees, and continuously raise the bar on performance / excellence. To deliver the same, the Bank uses a multitude of channels in the form of classroom and online training, e-learnings, external certifications, surveys, learning events, etc.

- The Bank continuously believes in creating and sustaining a robust and deeply embedded compliance culture through modules like Ethics, Prevention of Sexual Harassment (POSH), Gender Sensitization, Code of Conduct, Anti Money Laundering (AML)/ Know Your Customer (KYC) delivered through classroom and online channels. It is further supplemented through audio bridges across the country, where senior leaders set the tone right from the top on sensitive and critical subjects.
- The Bank follows a well-crafted Learning and Development cycle right from identification of training needs, designing, organizing, and

delivering training, gathering feedback for continued improvement in the modules and capturing effectiveness.

- In FY 2024, employees have attended 1.5 hours of classroom training. Through the e-learning mediums, about 2.5 Lakh learning hours were recorded.
- The Bank's signature programs such as ASPIRE and RISE substantiate the Bank's endorsement of learning beyond one's own function.
- DCB Bank's determination to enrich all aspects of an employee's lifecycle has resulted in curated supervisory capability programs. Supervisors can potentially influence their team's sentiment towards their work, hence in addition to the Appreciate, Build Ownership, Communicate and Develop (ABCD) Program, we launched Lead to Win to groom the first-time supervisors.
- On the technology front, the Bank launched the new and enhanced version of our Learning Management System, LUMOS 2.0 with improved user experience and accessibility in six additional languages.
- The Bank keeps adding avenues to promote learning. One such initiative is DCB Talks, a platform for employees to learn, interact and network with top leaders of the Bank on a wide range of topics such as Artificial Intelligence, Growth Mindset, Mentoring and Selling Mantra. A unique learning opportunity is also presented through Knowfest, our annual fair where teams from different departments set up stalls and engage with the visitors helping them understand their business through some truly creative means such as games, virtual shows, dramas, quiz, posters etc.
- The Bank's service philosophy, Empathy, Speed, and Quality (ESQ) and teamwork philosophy, CREW (Collaborate, Respect, Encourage, and Win) are integral to the Bank's culture reflecting its commitment to create delight, and foster long term, trust-based relationships.
- The Bank has developed situational leadership program across the units, this training speaks about how a leader will be successful when they

adapt leadership style as per his team members competencies and strengths. More than 50 leaders have been certified under this program.

Care

It is the Bank's pursuit, responsibility, and sheer honor to have the opportunity to facilitate the sense of being taken care of for all 11,000+ of its employees, society at large, and nature. The Bank is focused on holistic wellbeing of the employees and hence keep organising events and create offerings that help the employees become mindful of their health.

- The simple act of taking a 30-minute walk is found to have preventive value in several medical conditions. To promote walking as a habit, the Bank organizes annual 'Walkathons', where employees' step count is monitored over a period of 21 days across the country.
- Doctor on Call service facilitates instant access to qualified doctors, both general physicians and specialists, 24x7 for video consultations.
- The Bank facilitates emotional well-being in the workplace through its Employee Assistance Program, enabling the employees to seek completely confidential counselling from qualified experts not just for themselves but also for up to three family members.
- The Bank continued to support employees in meeting their financial requirements towards housing, automobile, education, etc.
- During the Chennai floods in 2023, the Bank went the extra mile and offered emergency loans to employees in less than 24 hours.
- At the Bank, care is not limited to the employees alone, it also includes society and nature. Through CSR unit, the Bank supports various initiatives in the area of Water, Waste Management, Renewable Energy, Supporting Tech Incubators, Preserving Archeological and Historical sites and Disaster Relief.
- Aside from meaningful contributions to society, the Bank encourages employees to actively volunteer for various CSR drives organized for tree plantation, habitat restoration, clean-up drives for parks, lakes, beaches, etc. Over 2,828 volunteers participated in

various CSR activities in FY 2023-24 and customer participation was observed in over 45 locations, binding us strongly to the value 'contribute'. The Bank planted 1,02,816 trees in FY 2023-24.

Engage

The Bank strives towards offering a continuous building of experiences right from the beginning and at various strings of the employee's lifecycle that helps create an engaged workforce and fosters a sense of belonging.

- Our onboarding philosophy expressed through the ICE (Include, Connect & Enable) framework captures various touchpoints such as welcome calls, careful focus on onboarding hygiene in areas such as infrastructure, system accesses, introduction to the onboarding team, etc. The Bank has seen a 7% improvement in the onboarding delight score from the new joiners.
- Once the employee is brought on board, they continue to have multiple opportunities to tune in through different channels for example Hour HR is hosted monthly as a live radio show where senior HR team members interact with the employees on topics such as policy changes, mental wellness, HR processes, benefits, supervisory guidelines, etc.
- The Bank offers a host of benefits for the employees and has institutionalized processes / policies. DCB Buzzz is the latest endeavor to maximize awareness and enhance adoption by releasing frequent, bank-wide mailers highlighting salient benefits and policies through employee stories and visuals.
- Bank-wide audio bridges are conducted for employees to develop a deep understanding of the benefits through an elaborate explanation supplemented with success stories on aspects such as job movements, employee referrals, policies, etc.
- Employees are also made available with an opportunity to interact with the regional level leadership through the 'Regional Forum' sessions conducted by the regional HR partners. These have proven to be of value for communication of important messages, gathering feedback, and delivering resolutions with mutual collaboration.

- Celebration, Rewards and Recognition are crucial elements of engagement, and the Bank has brought them all together at regional as well as at a country level. The regional recognition event feeds into the final gala signature event at the end of the year - Movers and Shakers where crème de la crème of the performers receive awards for their extraordinary contributions and the talented employees shortlisted from the regional talent shows perform and compete for the top spot.
- High Decibel, our quarterly newsletter highlights moments from such events and other initiatives happening throughout the year. It supplements as a platform to call out and celebrate important employee achievements.
- Listening is a key element of engagement. It provides feedback on what the employees' needs are, what matters to them, and whether the initiatives are being received well. The Bank's unique program Each One Reach One (EORO) helps view employees' perspective regarding their job, supervisor, work environment, and career aspirations. The collective voice of the employees becomes the input into the intervention design, policy changes, and focus group discussions. The Bank conducts a separate EORO Survey submitted by the direct reports of a first-time supervisor in reference to his/her approachability, helpfulness, care, development, and alignment with the team. The Bank offers counselling to low scoring supervisors and supports transition gracefully from an individual contributor mindset to a team leader mindset.
- The Bank has tapped into the collective group strength through its ESG initiative named 'YOUunity' by engaging over 1,200 employees in Foodies, Adventure Seekers, Wellness, Wings for Women, and Bookworms Clubs!

CORPORATE SOCIAL RESPONSIBILITY (CSR) and 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, biodiversity and natural habitat restoration, clean-up of parks, lakes, beaches, and water bodies.

In FY 2023-24, a total of 40 CSR projects in the various thrust areas were executed by the Bank. DCB Bank social volunteers pan India participated in various clean-up, habitat restoration and tree plantation programs. Across India, 2,828 CSR employee volunteered, of which 1,522 were DCB Bank employees and another 1,306 citizen volunteers were students, teachers, members of National Cadet Core (NCC), members of National Service Scheme (NSS), residents, members of resident welfare associations and well-wishers participated in CSR programs of the Bank.

The citizen engagement projects, and the Bank's outreach via social and print media provides information and generates awareness about the importance of sustainability, environment, and social impact. It has generated awareness in communities on saving water, protecting wetlands as well as trees, and the serious impact of unclean and polluted air on the health and longevity of life on this planet. The motive for meaningful citizen engagement is to discourage the use of single use plastic, encourage communities to segregate recyclable and organic waste, and 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 addressed in a timely and quality manner.

The Bank continues to make steady progress on the service concept of ESQ. In FY2024, the Bank has introduced for its customers a digital repository of communications namely "My Documents", Almost all customer communication/ documents can now be accessed by visiting the Bank's website. This has helped in reducing delays or non-receipt of communications that may arise due to a physical dispatch through mail. The Bank continues to take numerous process improvement and automation measures. As a result, in comparison to FY 2023, there has been a reduction of complaints by 20% across categories and 35% in the top 10 categories. The Bank intends to continue to improve its processes and communications 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. To bring in a culture of collaboration and customer-centricity across the Branch Banking network, the Bank has introduced a new measurement technique - "Branch Service Health Index". This index will serve as an indicator of the quality of service delivery and focuses on key customer service parameters including resolution time and usage of digital medium. 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 (BLCCSs), 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 2024, the Bank took numerous initiatives to create brand awareness and improve visibility for the Bank and its products and services. This was helpful in generating quality new business for the Bank. A few examples of the activities during the year are given below:

- Nearly 15,000 micro marketing activities in the nature of customer engagement programs were conducted in the branch neighbourhood across regions by branch banking and business acquisition channel.
- Residential activation programs were organised at over 250 societies pan India to engage with the prospects to promote Bank's products and services.
- The Bank's signature customer event "Ek Mulaqat Kuuch Baatein" was organised in Ahmedabad, Bhubaneshwar, Jodhpur, Ludhiana, Mumbai and Siliguri. Senior officers of the Bank interacted with customers who appreciated the Bank's service, products, and CSR activities.
- Mobile van activation campaigns were executed in the states of Andhra Pradesh, Bihar, Chhattisgarh, Gujarat, Haryana, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Rajasthan, Tamil Nadu, Telangana and Uttar Pradesh to promote DCB Savings Account, DCB Fixed Deposit and DCB Gold Loan.
- DCB Savings Account and Fixed Deposit print campaign in mainline publications and local publications across regions.
- Digital campaigns were done consistently on Google and Meta platforms to promote DCB Fixed Deposit, DCB Savings Account, DCB Gold Loan and DCB Remit.
- Several outdoor visibility initiatives such as hoardings, bus shelters, poles, auto rickshaw, bus backs, traffic booths, road barricades, no parking boards, society boards, store boards, wall paintings were done round the year pan India.
- Airport passenger area brand promotion were undertaken at Belagavi, Bhubaneshwar, Coimbatore, Delhi, Hubballi, Kolkata, and Tuticorin. DCB Fixed Deposit, DCB Savings Account, DCB Remit and DCB Non-Resident Indian communication were prominently displayed at these airports.
- The tie-up with CESC Limited (Calcutta Electric Supply Corporation) for DCB Bank product communication on their bills helped reach nearly 6.5 Lakh prospects.
- DCB Gold Loan, DCB Fixed Deposit and DCB Savings Account product videos were widely circulated in WhatsApp and YouTube.
- New product communication created for DCB Happy Savings Account, DCB Pragati, DCB Shiksha, DCB Savings & Fixed Deposit festive themes, DCB Gold Loan, DCB Niyo Savings Account, DCB Tax Payments Services and DCB Payless Card.
- DCB Bank 2024 calendar with product communication theme crafted for customers and prospects.

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 01, 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.

DISCLOSURES

NUMBER OF MEETINGS OF THE BOARD, ATTENDANCE, MEETINGS AND CONSTITUTION OF VARIOUS COMMITTEES

During the FY 2023-24, Fourteen (14) meetings of the Board were held. The details of Board meetings held during the year, attendance of Directors at the meetings and constitution of various Committees of the Board are included separately in the Corporate Governance Report.

DIRECTORS

The Bank had Ten (10) Directors on the Board as on March 31, 2024. Out of the Ten (10) directors, Eight (8) directors are Independent Directors. During the year under review, Ms. Lakshmy Chandrasekaran was

appointed as an Independent Director of the Bank with effect from April 14, 2023. During the year there was no other change in the directors of the Bank.

The Reserve Bank of India vide its letter dated January 16, 2024 had conveyed its approval for appointment of Mr. Praveen Achuthan Kutty as Managing Director & CEO of the Bank with effect from April 29, 2024 for a period of three years (3) in place of Mr. Murali M. Natrajan whose tenure of fifteen (15) years as the Managing Director & CEO of the Bank has completed on April 28, 2024 as per extant norms of the RBI. The Board of Directors of the Bank at its meeting held on March 21, 2024, on the recommendation of the Nomination and Remuneration Committee, has also approved the appointment of Mr. Praveen Achuthan Kutty as an Additional Director with effect from April 29, 2024 till the ensuing Annual General Meeting of the Bank or till the date of obtaining shareholders' approval whichever is earlier and also appointed as the Managing Director & CEO of the Bank for a period of three (3) years with effect from April 29, 2024 on such remuneration as approved by RBI, subject to the shareholders' approval. The approval of the shareholders of the Bank is being taken at ensuing Annual General Meeting.

Mr. Kutty by virtue of his appointment as the Managing Director & CEO of the Bank with effect from April 29, 2024, shall be considered as a Key Managerial Personnel (KMP) of the Bank in accordance with the Companies Act, 2013 & rules made thereunder and SEBI Listing Regulations and Material Risk Taker (MRT) in accordance with the Compensation Policy of the Bank & relevant RBI guidelines.

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.

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 29th Annual General Meeting 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 April 24, 2024 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.

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

SENIOR MANAGEMENT (SMP) AND KEY MANAGERIAL PERSONNEL (KMP)

The Board of Directors of the Bank in its meeting held on July 28, 2023 approved the changes in the Senior Management of the Bank by adding Mr. Murali Mohan Rao Manduva, Chief Technology Officer, Mr. Pankaj Sood, Head Retail & Emerging Branch Banking and Ms. Ashu Sawhney, Head Human Resources.

Mr. R. Venkatesh, Head Information Technology, Human Resources, Operations & Chief Information Officer had resigned from the services of the Bank on February 7, 2024.

Mr. Satish Gundewar ceased to be Chief Financial Officer and KMP of the Bank with effect from close of business on June 3, 2023 due to his resignation and Mr. Ravi Kumar was appointed as Chief Financial Officer and KMP of the Bank effective June 8, 2023.

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 familiarization program arranged for independent directors have been disclosed on website of the bank and are available at the following link:

<https://www.dccb.com/upload/pdf/Familiarisation-Programme-for-Independent-Directors-March-2024.pdf>

STATUTORY AUDITORS

M/s. Sundaram & Srinivasan, Chartered Accountants, (Registration No. 004207S), who were appointed as Joint Statutory Auditors of the Bank at the 26th AGM held on August 13, 2021 for three years, will be completing their term as a Joint Statutory Auditors after conclusion of the 29th Annual General Meeting of the Bank. Further, M/s. B S R & Co LLP, Chartered Accountants (Registration No. 101248W/W100022), will be continuing as Joint Statutory Auditors, for their 2nd financial year, i.e. for FY 2024-25, who were appointed as Joint Statutory Auditors of the Bank, at the 28th AGM of the Bank held on June 22, 2023. As the term of M/s Sundaram & Srinivasan, Chartered Accountants was till the FY 2023-24, the Board of Directors of the Bank vide its Resolution dated March 21, 2024 had recommended M/s. Varma & Varma, Chartered Accountants (Registration No. 004532S) 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 29th Annual General Meeting until the conclusion of the 32nd Annual General Meeting of the Bank for a continuous period of three (3) years (from FY 2024-25 to FY 2026-27) 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 for approval of the RBI, the re-appointment of M/s. B S R & Co LLP, Chartered Accountants (Registration No. 101248W/W100022) for their 2nd year for FY 2024-25.

The RBI has vide its letter Ref CO.DOS.RPD.No. S943/08.37.005/2024-25 dated May 07, 2024, has approved the appointment of M/s. B S R & Co LLP, Chartered Accountants (Registration No. 101248W/W100022) and M/s. Varma & Varma, Chartered Accountants (Registration No. 004532S) as the Joint

Statutory Auditors of the Bank for the FY 2024-25, being their second year and first year respectively.

M/s. B S R & Co LLP, Chartered Accountants, will now act as Joint Statutory Auditor of the Bank with M/s. Varma & Varma, Chartered Accountants, subject to the approval of the Members of the Bank in the ensuing 29th AGM of the Bank.

MATERIAL SUBSIDIARY

The Bank does not have any Subsidiary.

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.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework 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, 2024. 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, 2024 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, 2024; 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, 2024.

ANNUAL RETURN

A copy of the Annual Return as of March 31, 2024 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_7_31-03-2024.pdf

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE BANK

Pursuant to Section 186(11) of the Companies Act, 2013, the provisions of Section 186 of the Companies Act, 2013, except sub-section (1), do not apply to a loan made, guarantee given or security provided by a banking company in the ordinary course of business. The particulars of investments made by the Bank are disclosed in Schedule 8 of the financial statements as per the applicable provisions of the Banking Regulation Act, 1949.

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 hosted 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) Regulations 2015 (Listing Regulations), 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/upload/pdf/DCB-Bank-BRSR-FY-2023-24.pdf>

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, Small Scale Industry, 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

- Managing Director & CEO, Whole Time Directors, Company Secretary and Chief Financial Officer shall be the Key Managerial Personnel (KMPs) of the Bank.
- Except for the Chairman and the Managing Director & CEO, no other Directors are paid remuneration. The Chairman and the Managing Director & CEO are paid remuneration as approved by the RBI and other applicable authorities. All Directors except the Managing Director & CEO are entitled to sitting fees for attending various Board and its Committee meetings.
- Independent Directors are not entitled for Employee Stock Options.
- Policy for Selection and Appointment/ Reappointment of Non-Executive Directors including Part-Time Chairperson and their Remuneration is available at:
https://www.dcbbank.com/upload/pdf/Policy-for-appointment-re-appointment-and-Remuneration-of-Directors_18032023.pdf
- Policy For Appointment, Re-appointment and Remuneration for Whole Time Directors including Managing Director & CEO is available at:
<https://www.dcbbank.com/upload/pdf/Policy-for-appointment-and-re-appointment-of-MD-CEO-and-Whole-Time-Director.pdf>
- 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/upload/pdf/Policy-on-Compensation.pdf>

PARTICULARS OF EMPLOYEES

The Bank had 11325 employees as on March 31, 2024. 14 employees were employed throughout the year and

one employee was employed for a part of the year, who were in receipt of remuneration at the rate of not less than ₹1.02 Crore per annum. The details of top 10 employees and the name of every employee, who employed throughout or part of the year and were in receipt of remuneration at the rate of not less than ₹1.02 Crore per annum 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 in an Annexure 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 investorgrievance@dcbbank.com.

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, 2024 and such other details as prescribed are as given below:**

Name	Ratio
Mr. Farokh N. Subedar (Chairman)	5:1
Mr. Murali M. Natrajan (Managing Director & CEO)	110:1

- 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 N. Subedar (Chairman)	0%
Mr. Murali M Natrajan (Managing Director& CEO)	5%
Mr. Satish Gundewar (Chief Financial Officer) Till June 3, 2023	0%
Mr. Ravi Kumar (Chief Financial Officer) W,e.f. June 8, 2023	30%
Ms. Rubi Chaturvedi (Company Secretary)	9%

- c) **The percentage increase in the median remuneration of employees in the financial year:** 4.7%
- d) **The number of permanent employees on the rolls of Bank:** 11268
- e) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year ended March 31, 2024 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 7.86% for employees other than Managerial Personnel 8.83% 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

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

- i. DCB Bank Limited - Employees Stock Option Plan 2005 (“ESOP Scheme”)
- ii. DCB Bank Limited -Cash Settled Stock Appreciation Rights Scheme 2022 (“CSARs Scheme”).

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, 9,29,668 CSARs were granted on June 2, 2023 at the exercise price of ₹119.45 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 CSARs 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.dccb.com/upload/pdf/ESOP-Disclosure-%2031-03-2024.pdf>. 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 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 FY2023-24. This Policy, inter alia, provides a direct access to a Whistle Blower to the Chief Compliance Officer (CCO) on his dedicated e-mail whistleblower@dccb.com and Chairman of the Audit Committee of the Board (ACB) on his dedicated e-mail-ID cacb@dccb.com. The Whistle Blower Policy covering all employees and Directors is hosted on the Bank's website <https://www.dccb.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, 2024, 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 Companies Act, 2013 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 2023-24. The Secretarial Audit Report for the financial year ended March 31, 2024, 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 2023-24. The Secretarial Auditor's Report does not contain any qualifications, reservations, adverse remarks or disclaimers.

In terms of the SEBI Circular dated February 8, 2019, your Bank has submitted the Annual Secretarial Compliance Report for FY 2023-24 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.dccb.com/pdfs/BSENSEAnnualSecretarialComplianceReportFY202324.pdf>

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 2023-24 and their report is attached separately to this Report.

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.

Corporate Social Responsibility:

1. Brief outline of the 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 CSR 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 & 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 that are related with CSR thrust areas of the 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 and renewal energy
- e) Support technology incubators attached to academic institutions
- f) Preservation and 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
- g) Disaster Relief

2. Composition of CSR Committee:

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

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

<https://www.dccbanc.com/corporate-social-responsibility>

4. Provide the executive summary along with the web link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: **NA**
5.
 - a) Average net profit of the company as per sub-section (5) of Section 135: **₹488.70 Crore**
 - b) Two percent of average net profit of the company as per sub-section (5) of Section 135: **₹9.77 Crore**
 - c) Surplus arising out of the CSR Projects or programmes or activities of the previous Financial Years: **₹0.20 Crore**
 - d) Amount required to be set-off for the Financial Year, if any: **NIL**
 - e) Total CSR obligation for the Financial Year [(b)+(c)-(d)]: **₹9.77 Crore**
6.
 - a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **₹9.86 Crore**
 - b) Amount spent in Administrative Overheads: **₹0.11 Crore**
 - c) Amount spent on Impact Assessment, if applicable: **NA**
 - d) Total amount spent for the Financial Year [(a)+(b)+(c)]: **₹9.97 Crore**
 - e) **CSR amount spent or unspent for the Financial Year:**

Total Amount Spent for the Financial Year. (₹ in Crore)	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount Unspent (in ₹)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
9.97	NIL	-	-	NIL	-

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per Section 135(5)	9.77 Crore
(ii)	Total amount spent for the Financial Year	9.97 Crore
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0.20 Crore
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.12 Crore
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.32 Crore

7. Details of unspent Corporate Social Responsibility amount for the preceding three Financial Years: **NA**
8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **NA**
9. Specify the reason(s) if the company has failed to spend two per cent of the average net profit as per subsection (5) of Section 135: **NA**

Murali Natrajan

Managing Director & CEO
DIN: 00028428

Farokh N. Subedar

Chairman – Corporate Social
Responsibility & Environmental
Social & Governance Committee
DIN: 00061194

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 15, 2024

CORPORATE GOVERNANCE

Report on Corporate Governance pursuant to Para C of Schedule V 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, 2024.

The Bank has complied with the corporate governance requirements specified in Regulations 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 AND ITS COMPOSITION

The composition of the Board of Directors of the Bank ("Board") is governed by the provisions of the Companies Act, 2013, the Banking Regulation Act, 1949, SEBI Listing Regulations and other applicable laws.

The Board of the Bank, as on March 31, 2024, consist of ten (10) Directors. Out of the ten (10) Directors, the Bank has a Non-Executive Part Time Chairman and Independent Director, a Managing Director & Chief Executive Officer (MD & CEO), one Non Executive Non Independent Director and seven (7) Independent Directors including a Woman Independent Director on its Board.

The Board of the Bank consist of 80% Independent Directors which is over and above the minimum requirement under the Listing Regulations. The day-to-day management of the Bank is entrusted to the Senior Management 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 applicable Rules, all the Independent Directors of the Bank are enrolled with the databank of Independent Directors maintained by the Ministry of Corporate Affairs.

All the Directors of the Bank and their relatives together hold total 30,11,550 (0.96 %) Equity Shares of the Bank i.e. less than 2% of the issued and paid-up equity share capital of the Bank as on March 31, 2024.

The Reserve Bank of India vide its letter dated January 16, 2024 had conveyed its approval for appointment of Mr. Praveen Achuthan Kutty as Managing Director & CEO of the Bank with effect from April 29, 2024 for a period of three years (3) in place of Mr. Murali M. Natrajan whose tenure of fifteen (15) years as the Managing Director & CEO of the Bank has completed on April 28, 2024 as per extant norms of the RBI. The Board of Directors of the Bank at its meeting held on March 21, 2024, on the recommendation of the Nomination and Remuneration Committee, has also approved the appointment of Mr. Praveen Achuthan Kutty as an Additional Director with effect from April 29, 2024 till the ensuing Annual General Meeting of the Bank or till the date of obtaining shareholders' approval whichever is earlier and also appointed as the Managing Director & CEO of the Bank for a period of three (3) years with effect from April 29, 2024 on such remuneration as approved by RBI, subject to the shareholders' approval. The approval of the shareholders of the Bank is being taken at ensuing Annual General Meeting.

Mr. Kutty by virtue of his appointment as the Managing Director & CEO of the Bank with effect from April 29, 2024, shall be considered as a Key Managerial Personnel (KMP) of the Bank in accordance with the Companies Act, 2013 & rules made thereunder and SEBI Listing

Regulations and Material Risk Taker (MRT) in accordance with the Compensation Policy of the Bank & relevant RBI guidelines.

Composition of Board of Directors as on March 31, 2024:

Sr. No.	Name of Director	Independent/Non-Independent Director
1.	Mr. Farokh N. 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.	Ms. Lakshmy Chandrasekaran	Independent Director
6.	Mr. Rafiq Somani	Independent Director
7.	Mr. Shabbir Merchant	Independent Director
8.	Mr. Somasundaram PR	Independent Director
9.	Mr. Tarun Balram	Independent Director
10.	Mr. Thiyagarajan Kumar	Independent Director

*Mr. Murali M. Natrajan has completed his tenure of fifteen years (15) as the Managing Director & CEO of the Bank on April 28, 2024. Further, Mr. Praveen Achuthan Kutty has been appointed as the Managing Director & CEO of the Bank with effect from April 29, 2024 subject to approval of the shareholders of the Bank.

All the Directors on the Board have made necessary disclosures regarding their directorship and committee positions occupied by them in other companies. None of the directors are related to each other. Further, the independent directors fulfill the conditions specified in the Listing Regulations and are independent of the management.

Brief Profile of the Board of Directors:

The profiles of the Directors of the Bank as on March 31, 2024 are as under:

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 Limited as its Chief Operating Officer and also functioned as the Chief Financial Officer and Company Secretary. Mr. Subedar's association with Tatas spans over 38 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. Subedar does not hold any Equity Shares in the Bank as on March 31, 2024.

Mr. Aryn Jassani is an Independent Director of the Bank and has over 31 years of experience, primarily with the big four accounting firms. He is a Fellow member of the Institute of Chartered Accountants of India. He is also a member of the Institute of Company Secretaries of India and the Institute of Social Auditors of India. Additionally, he has passed examinations for Certified Information System Auditor (CISA).

Mr. Aryn Jassani holds 100 Equity Shares in the Bank as on March 31, 2024.

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, 2024.

Mr. Rafiq Ramzanali Somani, an Independent Director of the Bank, holds a B.E. in Computer Science and a Master in Marketing Management degree. He has 34 years of experience in the Information and Technology

field. Currently, he is an Area Vice President and Country Manager - Canada, Ansys Inc.

Mr. Rafiq Ramzanali Somani does not hold any Equity Shares in the Bank as on March 31, 2024.

Mr. Shabbir Merchant, an Independent Director of the Bank, holds a Masters in Personnel Management with more than 33 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, 2024.

Mr. Somasundaram PR, an Independent Director of the Bank, is a Chartered and Cost Accountant with over 32 years' experience across Unilever Group companies in India and abroad, Standard Chartered Bank and others. He has been the Regional CEO- India of the World Gold Council till March 31, 2024.

Mr. Somasundaram PR does not hold any Equity Shares in the Bank as on March 31, 2024.

Mr. Tarun Balram is an Independent Director of the Bank. 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, 2024.

Mr. Thiyagarajan Kumar is an Independent Director of the Bank. He is a business leader with over 38 years of experience with the Unilever group and Times group, in the Finance, Commercial, Governance and Audit/ Assurance functions. He worked in various capacities including General Manager - Finance, Audit Director with Unilever from October 1986 to September 2008

and was Director- Management Assurance Services of the Times Group between October 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 (ICAI), Associate of Institute of Cost and Works Accountants of India and completed his Post Graduate Diploma in Management Accountancy Course, ICAI.

Mr. Thiyagarajan Kumar does not hold any Equity Shares in the Bank as on March 31, 2024.

Ms. Lakshmy Chandrasekaran is an Independent Director of the Bank. She is a Chartered Accountant by Profession. She also holds diploma in the International Financial Reporting Standards (IFRS) and Information Systems. She has over 36 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, specializing in the field of Auditing and Assurance, Taxation, Corporate Advisory Services and Management Consulting Services. She is also in charge of Risk Management, Quality Assurances, Due Diligence, 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 as on March 31, 2024.

Mr. Murali M. Natrajan, a Fellow member of the Institute of Chartered Accountants of India, is the Managing Director & Chief Executive Officer of the Bank since April, 2009. He has 40 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 30,10,000 Equity Shares in the Bank as on March 31, 2024.

DETAIL OF DIRECTORSHIPS ALONG WITH CATEGORY AND MEMBERSHIPS/ CHAIRPERSONSHIPS OF COMMITTEES OF OTHER PUBLIC LIMITED COMPANIES HELD BY THE DIRECTORS OF THE BANK AS ON MARCH 31, 2024

Name of Director	Directorship in other Listed Public Limited Companies	Directorship in other public Limited Companies	Membership of Committees of other Public Limited Companies [#]	Chairmanship of Committees of other Public Limited Companies [#]
Mr. Farokh N. Subedar	i) Tata Investment Corporation Limited (Non-Executive Director) ii) Tata Capital Limited (Non- Executive Director)	Tata Industries Limited (Non-Executive Director)	4	2
Mr. Murali M. Natrajan	Nil	-	-	-
Mr. Aryn Jassani	Nil	-	-	-
Mr. Iqbal Khan	Nil	-	-	-
Ms. Lakshmy Chandrasekaran	Nil	-	-	-
Mr. Rafiq Somani	Nil	-	-	-
Mr. Shabbir Merchant	Nil	-	-	-
Mr. Somasundaram PR	Nil	-	-	-
Mr. Tarun Balram	Nil	HDFC Securities Limited (Independent Director)	-	-
Mr. Thiyagarajan Kumar	Nil	-	-	-

[#]Includes only membership/ chairmanship of Audit Committee and Stakeholders' Relationship Committee of other Indian public limited companies.

Skills/ Expertise/ Competencies of the Board of Directors

The Bank has identified the skills/ expertise/ competencies as required to be possessed by the Board of the Bank, to function effectively in the context of businesses and the sectors in which the Bank deals. Based on the confirmation and declarations obtained from the Directors of the Bank, the identified Skills/ Expertise/ Competencies are given below:

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

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

COMPOSITION OF COMMITTEES OF DIRECTORS, TERMS OF REFERENCE AND NUMBER OF MEETINGS DURING THE FINANCIAL YEAR 2023-24

The Board has constituted various Committees of Directors to take informed decisions in the best interest of the Bank. These Committees monitor the activities as per the scope defined in their terms of reference and as per the regulatory guidelines as applicable. The Board's Committees are as follows:

AUDIT COMMITTEE OF BOARD (ACB)

The terms of reference of the ACB are in accordance the provisions 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.

Mr. Thiyagarajan Kumar, Mr. Aryn Jassani, Mr. Somasundaram PR and Ms. Lakshmy Chandrasekaran are the members of the ACB. All the Four (4) members

are Independent Directors (IDs) as against the requirement of 2/3rd IDs under the Listing Regulations. Mr. Thiyagarajan Kumar chairs the ACB and the Company Secretary of the Bank acts as the Secretary to the ACB. The Committee was reconstituted on April 20, 2023 by inducting Ms. Lakshmy Chandrasekaran as a member of the ACB.

During the year under review, the ACB met Nine (9) times.

CREDIT COMMITTEE OF BOARD (CCB)

The CCB, inter-alia, looks after sanctioning of loans and advances, approving of One Time Settlements (OTS), etc.

Mr. Somasundaram PR, Mr. Tarun Balram and Mr. Farokh N. Subedar are the members of the CCB. Mr. Somasundaram PR chairs the CCB. There was no change in the constitution of the Committee during the year under review.

During the year under review,, the CCB met Fifteen (15) times.

RISK MANAGEMENT COMMITTEE OF BOARD (RMC)

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. Aryn Jassani, Mr. Somasundaram PR, Mr. Tarun Balram, Mr. Thiyagarajan Kumar and Mr. Murali M. Natrajan are the members of the RMC. Mr. Aryn Jassani chairs the RMC.

The Committee was reconstituted on May 05, 2023 by inducting Mr. Thiyagarajan Kumar as a member of the RMC.

During the year under review, the RMC met four (4) times.

NOMINATION & REMUNERATION COMMITTEE OF BOARD (NRC)

The NRC, inter-alia, looks after the due diligence and recommendation for appointment/ re-appointment/ remuneration/ performance evaluation/ succession planning of all directors. The NRC also approves and recommend appointment/ reappointment/ remuneration of Senior Management including Key Managerial Personnel of the Bank.

Mr. Somasundaram PR, Mr. Aryn Jassani, Mr. Farokh N. Subedar and Mr. Iqbal Khan are the members of the NRC. All the members are Independent Director of the Bank except Mr. Iqbal Khan, who is Non - Executive Director Mr. Somasundaram PR chairs the NRC.

The Committee was reconstituted on July 05, 2023 and Mr. Shabbir Merchant was ceased to be a member of the NRC from that date.

During the year under review, the NRC met nine (9) times.

STAKEHOLDERS' RELATIONSHIP COMMITTEE OF BOARD (SRC)

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 FY 2023-24, 02 (Two) complaints regarding non-receipt of annual reports, were received and the same were appropriately resolved/responded. There was one request for deletion of name received on March

28, 2024 by the Registrar & Transfer Agent, which was pending as on March 31, 2024.

Ms. Rubi Chaturvedi, Company Secretary of the Bank is the designated person responsible for handling Investor/ Shareholder Grievances and is the Compliance Officer of the Bank under Listing Regulations. She is also the Nodal Officer of the Bank for handling Investor Grievances with respect to Investor Education and Protection Fund ("IEPF").

The SRC consist of Ms. Lakshmy Chandrasekaran, Mr. Aryn Jassani and Mr. Rafiq Somani. Ms. Rubi Chaturvedi acts as the Secretary to the SRC. The Committee was reconstituted on April 20, 2023. Mr. Shabbir Merchant ceased to be member and Chairman of the SRC and Ms. Lakshmy Chandrasekaran was inducted as a member of SRC w.e.f. April 20, 2023 and subsequently, w.e.f. November 01, 2023, the Board appointed her as Chairperson of SRC.

During the year under review, the SRC met four (4) times.

FRAUD REPORTING & MONITORING COMMITTEE OF BOARD (SPECIAL COMMITTEE OF THE BOARD FOR MONITORING AND FOLLOW UP OF CASES OF FRAUDS) (FRMC)

Pursuant to the directives of the RBI to all commercial banks, the Bank has constituted a FRMC for monitoring cases of fraud involving amounts of ₹1 Crore (Rupees One Crore Only) and above.

Mr. Farokh N. Subedar, Mr. Aryn Jassani, Mr. Shabbir Merchant, Mr. Thiyagarajan Kumar, Mr. Murali M. Natrajan and Ms. Lakshmy Chandrasekaran are the members of the FRMC. Mr. Farokh N. Subedar chairs the FRMC.

The Committee was reconstituted on April 20, 2023 by inducting Ms. Chandrasekaran as a member and further on May 05, 2023 by inducting Mr. Subedar as a member and chairman of the FRMC.

During the year under review, the FRMC met five (5) times.

CUSTOMER SERVICE COMMITTEE OF BOARD (CSC)

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.

Mr. Farokh N. Subedar, Mr. Aryn Jassani, Mr. Thiyagarajan Kumar and Mr. Murali M. Natrajan are the members of the CSC. Mr. Farokh N. Subedar Chairs the CSC. There was no change in the constitution of the Committee during the year under review.

During the year under review, the CSC met four (4) times.

INFORMATION TECHNOLOGY STRATEGY COMMITTEE OF BOARD (ITSC)

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.

The ITSC consist of Mr. Rafiq Somani, Mr. Iqbal Khan, Mr. Murali M. Natrajan and Mr. Murali Manduva (Chief Technology Officer & Management representative of the Bank) as the Members. Mr. Somani chairs the ITSC. The Committee was reconstituted with effect from February 08, 2024 and Mr. Manduva was appointed as a member in place of Mr. R. Venkatesh, Head Op., Tech, HR & CIO who ceased to be a member of ITSC due to his resignation from the services of the Bank.

During the year under review, the ITSC met four (4) times.

CORPORATE SOCIAL RESPONSIBILITY AND ENVIRONMENT, SOCIAL & GOVERNANCE COMMITTEE OF THE BOARD (CSR & ESG COMMITTEE)

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.

Mr. Farokh N. Subedar, Mr. Rafiq Somani, Mr. Thiyagarajan Kumar and Mr. Murali M. Natrajan are the members of the CSR & ESG Committee. Mr. Subedar chairs the Committee. There was no change in the constitution of the Committee during the year under review.

During the year under review, the CSR & ESG Committee met on five (5) times.

WILFUL DEFAULTERS REVIEW COMMITTEE OF BOARD (WDRC)

The WDRC reviews the instances wherein the Committee of Executives (Wilful Defaulters - Identifications) has issued orders declaring the borrower as Wilful Defaulters / Non-Cooperative and issue the final order post review of the instances as mentioned. WDRF also formulate the SOP for examination and declaration of wilful defaulter. It also directs and overview the task of carrying out examination of NPAs above ₹25 Lakh (Rupees Twenty Five Lakh Only).

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.

SEARCH COMMITTEE

During the year, the Board of Directors of the Bank had constituted the Search Committees for succession process of Managing Director & CEO and identification of candidate for the position of Whole Time Director of the Bank. The Committees met five (5) times during the year under review.

ATTENDANCE OF DIRECTORS AT BOARD MEETINGS, COMMITTEE MEETINGS AND LAST ANNUAL GENERAL MEETING FOR FY 2023-24

During the year ended March 31, 2024, total fourteen (14) Board Meetings were held on May 5, 2023, June 2, 2023, June 22, 2023, July 4, 2023, July 28, 2023, August 23, 2023, October 20, 2023, October 31, 2023, December 8, 2023, January 18, 2024, January 24, 2024, February 21, 2024, February 28, 2024 and March 21, 2024. Further, one (1) meeting of Independent Directors was also held on March 21, 2024 as per the regulatory requirement and the same was attended by all the Independent Directors.

All Directors then on the Board of the Bank had attended the last Annual General Meeting held on June 22, 2023.

Summary of attendance of directors at the Board/ Committee meetings held during the FY 2023-24 is given below:

Sr. No.	Name of Director	BM	ACB	CCB	RMC	FRMC	NRC	SRC	CSC	ITSC	CSR & ESG	WDRC
	Total No. of Meetings held	14	9	15	4	5	9	4	4	4	5	Nil
1.	Mr. Farokh N. Subedar*	14	N.M.	13	N.M.	4	8	N.M.	4	N.M.	5	-
2.	Mr. Murali M. Natrajan	14	N.M.	N.M.	4	5	N.M.	N.M.	4	4	5	-
3.	Mr. Abyn Jassani	14	9	N.M.	4	5	9	4	4	N.M.	N.M.	-
4.	Mr. Iqbal Khan	12	N.M.	N.M.	N.M.	N.M.	7	N.M.	N.M.	2	N.M.	N.M.
5.	Ms. Lakshmy Chandrasekaran**	14	9	N.M.	N.M.	5	N.M.	4	N.M.	N.M.	N.M.	-
6.	Mr. Rafiq Somani	10	N.M.	N.M.	N.M.	N.M.	N.M.	4	N.M.	4	5	-
7.	Mr. Shabbir Merchant#	12	N.M.	N.M.	N.M.	5	2	N.M.	N.M.	N.M.	N.M.	-
8.	Mr. Somasundaram PR	12	7	14	4	N.M.	9	N.M.	N.M.	N.M.	N.M.	-
9.	Mr. Tarun Balram	14	N.M.	15	4	N.M.	N.M.	N.M.	N.M.	N.M.	N.M.	-
10.	Mr. Thiyagarajan Kumar##	14	9	N.M.	4	5	N.M.	N.M.	4	N.M.	5	-

N.M. = Not a member

* Appointed as Member and Chairman of FRMC w.e.f. May 5, 2023

** Appointed as member of FRMC, ACB and SRC w.e.f. April 20, 2023 and appointed as Chairperson of SRC w.e.f. November 01, 2023

Ceased to be member and chairman of SRC w.e.f. April 20, 2023 and Ceased to be Member of NRC w.e.f. July 05, 2023

Appointed as member of RMC w.e.f. May 5, 2023

REMUNERATION OF DIRECTORS

The Directors other than Managing Director & CEO and the Chairman of the Bank are not paid any remuneration in any form. All the Non-Executive Directors including the Independent Directors and the Chairman are paid sitting fees as may be approved by the Board from time to time within the regulatory framework and reimbursement of out of pocket expenses for attending each meeting of the Board and its various Committees. No stock options are granted to any of the non- executive directors.

No single Non-Executive Director, except Mr. Farokh N. Subedar is paid remuneration exceeding fifty percent of the total annual remuneration paid to all the Non-Executive Directors during the FY 2023-24. Approval of the shareholders is being sought in the ensuing Annual General Meeting of the Bank by way of special resolution for annual remuneration payable to Mr. Farokh N. Subedar which would be in excess of fifty percent of the total annual remuneration payable to all the Non-Executive Directors of the Bank for FY 2024-25.

There were no other pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Bank during FY 2023-24 (except banking transactions in the ordinary course of businesses and on arm's length basis) which has potential conflict with the interest of the Bank at large.

Remuneration to the Non-Executive Part Time Chairman

Mr. Farokh N. Subedar, Non-Executive Part Time Chairman and Independent Director of the Bank is paid a fixed honorarium of ₹24,00,000/- p.a. (Rupees Twenty Four Lakh Only) 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 approved by the Reserve Bank of India and Shareholders of the Bank.

Remuneration to the Managing Director & CEO

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 & CEO of the Bank. The details of the remuneration paid to him during FY 2023-24 as approved by the RBI are as follows:

Particulars	Amount (in ₹)
Basic	2,51,89,920
Allowances and Perquisite value	2,43,31,355
Contribution to Provident Fund	30,22,790
No. of CSARs granted during the year (2023-24)	1,17,013

The RBI has also approved variable pay of ₹1,00,00,000 for FY 2022-23 paid in accordance with the RBI guidelines and Compensation policy of the Bank.

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 FY 2023-24. No sitting fees were paid to him for attending the meetings of the Board and Committees thereof.

Mr. Natrajan has exercised 4,60,000 stock options during the FY 2023-24.

Remuneration to other directors

The Directors other than Managing Director & CEO and the Chairman of the Bank are not paid any remuneration in any form. The details of sitting fees paid to the Non-Executive Directors of the Bank during the FY 2023-24 are as under:

Name of Director	Sitting Fees (in ₹)
Mr. Aryn Jassani	34,90,000
Mr. Farokh N. Subedar*	31,70,000
Mr. Iqbal Khan	17,20,000
Mr. Rafiq Somani	15,00,000
Mr. Shabbir Merchant	13,00,000
Mr. Tarun Balram	23,80,000
Mr. Somasundaram PR**	12,90,000
Mr. Thiyagarajan Kumar	29,10,000
Ms. Lakshmy Chandrasekaran	21,30,000
Total	1,98,90,000

*Waived off his sitting fees for the CSR & ESG Committee meetings of the Bank.

**Waived off his sitting fees for Board/ Committee meetings till December 2023.

DECLARATION GIVEN BY INDEPENDENT DIRECTORS

All the Independent Directors have given the relevant declarations to the Bank as required under sub section (6) of Section 149 of the Companies Act, 2013 and applicable provision of the Listing Regulations.

FAMILIARIZATION OF INDEPENDENT DIRECTORS

The details of familiarization programs imparted to Independent Directors have been disclosed on website of the Bank at:

<https://www.dcbbank.com/upload/pdf/Familiarisation-Programme-for-Independent-Directors-March-2024.pdf>

GENERAL BODY MEETINGS HELD DURING THE LAST THREE YEARS

Date	Venue	Special Resolutions passed
28 th AGM 22.06.2023 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 iii. Appointment of Ms. Lakshmy Chandrasekaran (DIN:00240466) as an Independent Director of the Bank iv. Appointment of Mr. Farokh N. Subedar (DIN: 00028428) as Non-Executive Part-Time Chairman of the Bank and to approve payment of remuneration v. Alteration of Article of Association of the Bank
27 th AGM 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
26 th AGM 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

Postal Ballot:

Details of resolutions passed through Postal Ballot:

During the FY 2023-24, the Bank had obtained approval of shareholders to Issue, Offer and Allot Equity shares on Preferential basis by way of a Special resolution passed through a Postal Ballot. Postal Ballot Notice dated December 08, 2023 was sent to total 1,59,518 shareholders of the Bank, who had registered their e-mail IDs as on December 01, 2023, (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 1,59,518 shareholders of the Bank to whom the Notice was sent, 597 members comprising of 16,53,44,378 equity shares representing 52.9817% 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: To issue, offer and allot equity shares on a preferential basis

Particulars	Number of Valid		Percentage %
	Voters (via e-voting)	Votes (via e-voting)	
Assent	554	16,51,48,552	99.8816
Dissent	43	1,95,826	0.1184
Total	597	16,53,44,378	100.0000

Accordingly, the Special Resolution as contained in the Item No. 1 of the Notice of Postal Ballot dated December 08, 2023 was declared as passed with requisite majority on January 09, 2024.

Apart from the above, resolution(s), if any, to be passed through Postal Ballot during the FY 2024-25 will be taken up as and when necessary, in accordance with the relevant provisions of the Companies Act and Listing Regulations and circulars, notifications, etc. issued in this regard from time to time.

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 every year are approved by the Board, after review 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, 2024.

SHAREHOLDING PATTERN OF THE BANK AS ON MARCH 31, 2024

Sr. No.	Category	Total Shares	% to Capital
1	Promoter and Promoter Group	4,62,00,234	14.77
2	Foreign Portfolio Investors	3,98,83,802	12.75
3	Non-Resident Indians and Non-Repatriable	45,53,948	1.46
4	Banks/ Mutual Funds/ NBFCs registered with RBI	6,55,16,681	20.94
5	Alternate Investment Funds	2,30,25,152	7.36
6	Insurance Companies	42,25,178	1.35
7	Indian Companies/ LLP	1,65,49,263	5.29
8	Investor Education And Protection Fund (IEPF)	7,12,495	0.23
9	Unclaimed Securities Suspense Account	13,61,589	0.43
10	Trusts	26,558	0.01
11	Other Public Shareholders	11,07,49,589	35.41
	Total	31,28,04,489	100.00

SHAREHOLDERS HOLDING 1% AND ABOVE SHARES IN THE BANK (PAN BASED) AS ON MARCH 31, 2024

Sr. No.	Name	No. of Shares	% To Capital
1	Aga Khan Fund For Economic Development SA	4,37,50,052	13.9864
2	Tata Mutual Fund - Tata Small Cap Fund (All Scheme)	1,62,14,140	5.1835
3	HDFC Small Cap Fund	1,39,48,722	4.4592
4	Franklin India Smaller Companies Fund (All Scheme)	1,38,49,095	4.4274
5	India Advantage Fund S4 I	1,24,73,881	3.9878
6	DSP Small Cap Fund	95,11,141	3.0406
7	Oman India Joint Investment Fund II	91,98,202	2.9406
8	Steinberg India Emerging Opportunities Fund Limited	67,20,316	2.1484
9	LIC MF Flexi Cap Fund (All Scheme)	46,88,034	1.4987
10	Government Pension Fund Global	34,36,498	1.0986
11	Bajaj Allianz Life Insurance Company Ltd.	34,05,691	1.0888
	Total	13,71,95,772	43.8599

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2024

Sr. No.	Number of Equity shares held	Number of Shareholders	% of Total Shareholders	Shares	% of Total Shares
1	1 to 500	2,20,281	86.8599	2,69,07,937	8.6022
2	501 to 1000	17,290	6.8177	1,37,11,500	4.3834
3	1001 to 2000	8,768	3.4573	1,29,79,471	4.1494
4	2001 to 3000	2,568	1.0126	65,80,827	2.1038
5	3001 to 4000	1,165	0.4594	41,72,542	1.3339
6	4001 to 5000	941	0.3710	44,53,931	1.4239
7	5001 to 10000	1,410	0.5560	1,03,01,275	3.2932
8	10001 and above	1,182	0.4661	23,36,97,006	74.7102
TOTAL :		2,53,605	100.0000	31,28,04,489	100.0000

Out of the above 2,53,605 folios, 2,39,911 folios comprise 30,93,21,809 shares forming 98.89% of the issued and paid-up share capital, are in dematerialized mode. Another 13,694 folios comprise 34,82,680 shares constituting 1.11% of the issued and paid up share capital, are held in physical mode. Promoters' entire shareholding is in dematerialized mode.

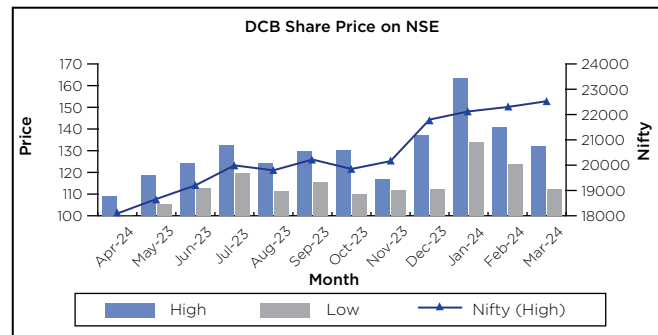
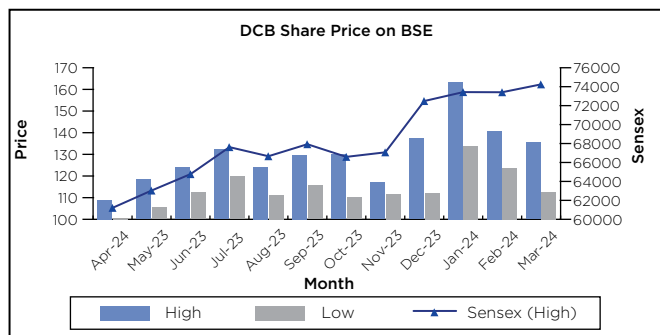
SHARE PRICE & VOLUME OF SHARES TRADED

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

Month	High	Low	Sensex (High)
Apr-23	108.90	99.80	61,209.46
May-23	118.40	105.40	63,036.12
Jun-23	123.95	112.45	64,768.58
Jul-23	132.30	119.75	67,619.17
Aug-23	124.25	111.10	66,658.12
Sep-23	129.75	115.55	67,927.23
Oct-23	129.95	110.00	66,592.16
Nov-23	117.00	111.60	67,069.89
Dec-23	137.35	112.20	72,484.34
Jan-24	163.40	133.90	73,427.59
Feb-24	140.70	123.70	73,413.93
Mar-24	135.55	112.50	74,245.17

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

Month	High	Low	Sensex (High)
Apr-23	108.90	100.00	18,089.15
May-23	118.45	105.35	18,662.45
Jun-23	124.00	112.50	19,201.70
Jul-23	132.45	119.60	19,991.85
Aug-23	124.30	111.25	19,795.60
Sep-23	129.80	115.50	20,222.45
Oct-23	130.00	109.90	19,849.75
Nov-23	117.00	111.55	20,158.70
Dec-23	137.30	112.20	21,801.45
Jan-24	163.45	133.95	22,124.15
Feb-24	140.80	123.70	22,297.50
Mar-24	131.95	112.00	22,526.60



OUTSTANDING WARRANTS/ ADRs/ GDRs/ CONVERTIBLE INSTRUMENTS

The Bank has not issued any warrants/ ADRs/ GDRs/ Convertible Instruments.

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

Wednesday, April 24, 2024

FINANCIAL YEAR

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

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, 2024. 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.dccb.com/pdfs/Dividend_Distribution_Policy.pdf

DATE OF BOOK CLOSURE/RECORD DATE

The Bank has fixed Friday, May 10, 2024 as the Record Date for the entitlement of Dividend, if approved by the Members.

DIVIDEND PAYMENT DATE

Dividend as recommended by the Board of Directors, if approved at the AGM, shall be paid on or after Thursday, June 13, 2024 to the eligible Shareholders within stipulated timelines.

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

The Twenty Ninth (29th) Annual General Meeting of the Bank will be held via Video Conferencing (VC) or Other Audio-Visual Means (OAVM) on Wednesday, June 12, 2024 at 2.30 p.m. (IST).

CUT-OFF DATE FOR ASCERTAINING VOTING RIGHTS

The Bank has fixed Wednesday, June 5, 2024 as the Cut-off Date for the purpose of ascertaining voting rights of the Members at the 29th AGM of the Bank.

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.

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.

BRANCHES

The Bank has 442 branches and 418 ATM centers (both onsite and offsite) as at March 31, 2024.

CODE FOR PREVENTION OF INSIDER TRADING

The Bank has adopted a DCB Bank - Code of Conduct for Prohibition of Insider Trading for the prevention of insider trading in the shares of the Bank as well as in other listed and proposed to be listed companies. The Code, inter-alia, provides restrictions in dealing in securities by Designated Persons of the Bank while in possession of unpublished price sensitive information.

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 ₹1.65 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.

Approval of the members of the Bank is being sought in the ensuing AGM of the Bank, for payment of additional remuneration of ₹15,00,000 (Rupees Fifteen Lakh Only) to M/s. B S R & Co LLP, Chartered Accountants, one of the Joint Statutory Auditors towards the substantial increase in their scope of work emanating from various circulars/ notifications issued by the Reserve Bank of India or other regulatory authorities, for FY 2023-24, in addition to out of pocket expenses and taxes as applicable.

7. A certificate dated April 24, 2024 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. The details of complaints received and redressed during the FY 2023-24 are as under:

a) number of complaints filed during the financial year:	11
b) number of complaints disposed of during the financial year:	8 (including 2 withdrawn)
c) number of complaints pending as on end of the financial year:	3

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 2024 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 MANAGING DIRECTOR & CEO

The Bank already has separate posts for the Chairman and the Managing Director & 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 2023-24 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, 5 th 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 March 31, 2024. 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/upload/pdf/FAQ-Claiming-Share-from-IEPF-Authority.pdf>

Details of Shares lying in Unclaimed Securities Suspense Account as on March 31, 2024:

Particulars	Number of Shareholders / Folios	Shares
Opening Balance as on April 1, 2023	12,667	1,381,267
Add: Transfer during the year 2023-24	0	0
Less: Claim received and shares transferred*	142	24,400
Less: Shares transferred to Investor Education Protection Fund	0	0
Closing Balance as on March 31, 2024**	12,525	13,56,867

*Number of shareholders who had 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)
810 811 6767 (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

Declaration signed by the Managing Director & Chief Executive Officer (MD & CEO) 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 as on March 31, 2024.

To
The Members,
DCB Bank Limited
Mumbai

I, Murali M. Natrajan, Managing Director & CEO of the Bank confirm that for the FY 2023-2024, 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: April 24, 2024

through-mail to the Bank at investorgrievance@dccb.com. This designated e-mail has also been displayed on the Bank's website www.dccb.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: 022 69759004
E-mail id: rubi.chaturvedi@dccb.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: 022-69759000
Date of Incorporation: 31-05-1995
Registration No.11-89008 of 1995
CIN: L99999MH1995PLC089008
Website: www.dccb.com
E-mail ID: investorgrievance@dccb.com

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 **March 31, 2024**.

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 SEBI Listing Regulations, for the Financial Year ended **March 31, 2024**.

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.: 5218/2023

S. N. Viswanathan
Partner

ACS: 61955 | COP No.: 24335

ICSI UDIN: A061955F000222060

April 24, 2024 | Thane

Form No. MR- 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March 2024

[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 **March 31, 2024**, 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 March 31, 2024 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;
 - 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 Bank:
- 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 - The Bank has generally complied with Secretarial Standards with respect to meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by 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:

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 the 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:

1. The Members have at their Twenty Eight (28) Annual General Meeting held on June 22, 2023 approved the following by way of Special Resolution(s) inter alia:
 - (i) For raising of funds by issue of bonds/ debentures/ securities on private placement basis of an amount not exceeding ₹500 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.
 - (ii) Issue of equity shares to Qualified Institutional Buyers through Qualified Institutional Placement, for an amount not exceeding ₹500 Crore (Rupees Five Hundred Crore).
 - (iii) Alteration of Articles of Association of the Bank by inserting clause with respect to appointment of Director nominated by Debenture Trustees.
2. Subject to the approval of the Reserve Bank of India (RBI), the Members by passing a Special resolution on January 9, 2024 by way of Postal Ballot, had approved preferential issue of 60,58,394 (Sixty Lakh Fifty-Eight Thousand Three Hundred Ninety-Four) equity shares of the Bank, at an issue price of ₹137/- (Rupees One Hundred Thirty-Seven Only) including premium of ₹127/- (Rupees One Hundred Twenty Seven only) per equity share aggregating upto ₹83,00,00,000/- (Rupees Eighty-Three Crore Only), for cash, to Aga Khan Fund for Economic Development S.A, a member of the promoter and promoter group of the Bank (AKFED), the allotment of which will be made subsequent to receipt of RBI's approval and receipt of subscription money from AKFED.

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.: 5218/2023

April 24, 2024 | Thane

S. N. Viswanathan

Partner

ACS: 61955 | COP No.: 24335

ICSI UDIN: A061955F000221994

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 March 31, 2024, 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

April 24, 2024 | Thane

S. N. Viswanathan
Partner
ACS: 61955 | COP No.: 24335
UDIN: A061955F000221994

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 **FY 2023-24 and FY 2024-25** 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 March 31, 2024** 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 Natarajan	00061194	29/04/2009	-
2.	Mr. Iqbal Khan	07870063	15/07/2017	-
3.	Mr. Somasundaram Palamadai Ramaswamy	00356363	25/01/2020	-
4.	Mr. Aryn Jassani	02945319	25/01/2020	-
5.	Mr. Shabbir Merchant	07438419	25/01/2020	-
6.	Mr. Rafiq Somani	01351871	09/03/2020	-
7.	Mr. Tarun Balram	02445298	24/01/2022	-
8.	Mr. Thiyagarajan Kumar	00735914	10/02/2022	-
9.	Mr. Farokh Nariman Subedar	00028428	15/10/2022	-
10.	Ms. Lakshmy 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 March 31, 2024.

For S. N. ANANTHASUBRAMANIAN & Co.

Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No.: 5218/2023

S. N. Viswanathan
Partner

ACS: 61955 | COP No.: 24335
ICSI UDIN: A061955F000222093

April 24, 2024 | Thane

INDEPENDENT AUDITOR'S REPORT

To the Members of DCB Bank Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of DCB Bank Limited (the "Bank"), which comprise the balance sheet as at 31 March 2024, the profit and loss account, the cash flow statement for the year then ended, and notes to the Financial Statements, including a summary of the 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 (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 31 March 2024, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs 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 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 of the current year. 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. We have determined matters described below to be the key audit matters to be communicated in our report.

Description of Key audit matter

Key audit matter	How the matter was addressed in our audit
Provisions on advances	
Total Advances (Net of provisions) as at 31 March 2024: Rs. 40,924.56 crores	
Provision for NPAs as at 31 March 2024: Rs. 744.20 crores	
Refer to the accounting policies in “Schedule 17(5) to the Financial Statements: Significant Accounting Policies”, “Schedule 9 to the Financial Statements: Advances” and “Schedule 18(12.1) to the Financial Statements: Provisions and Contingencies	
Subjective estimate	We performed the following key audit procedures:
<p>Reserve Bank of India’s (“RBI”) guidelines on Prudential Norms on income recognition and asset classification and provisioning pertaining to advances (“IRAC norms”) prescribe the norms for identification and classification of non-performing advances (“NPA”) and minimum provisions required for such advances.</p> <p>As required under IRAC norms, the Bank has a Board approved policy for NPA identification and provisioning based on which the Bank recognizes provisions for NPAs at or higher than the minimum rate prescribed under RBI guidelines.</p> <p>The Bank’s accounting policy also requires recognition on a prudent basis, provisions towards exposures that are not NPA as per IRAC norms but where Bank, based on current environment, has reasons to believe that there is possible deterioration.</p> <p>We have identified provision on advances as a key audit matter because of the judgement and management assessment involved in determining provision as per RBI norms including management estimate of higher provision over IRAC norms and its significance to the financial statements of the Bank.</p>	<ul style="list-style-type: none"> • Understood Bank’s policy for provisioning, systems and controls implemented in relation to provision for NPAs. • Tested the design, implementation and operating effectiveness of key internal financial controls over monitoring of overdue loans, identification of NPA accounts, collateral valuation, measurement of provision on the basis of IRAC norms as well as application of Bank’s judgment for establishing provisions beyond the minimum prescribed under IRAC norms. Our testing also included assessment of the reliability of information generated from the Bank’s IT systems such as ‘overdue’ reports that were used by the Bank for the aforesaid controls. • Understood the processes and controls and obtained audit evidence over data integrity, automated calculations and system interface reconciliations. • Tested key information technology based controls operating in relation to the Bank’s NPA system, including system access, system change management, program development and computer operations. • Tested the Bank’s controls for identification of loans with indicators of stress or occurrence of event of default requiring such loans to be considered as NPA. • Performed test of details over calculation of NPA provisions for assessing its completeness and accuracy based on relevant data and its compliance with the Bank’s NPA policy as well as IRAC norms. • For a sample of performing loans, independently assessed as to whether there was a need to classify such loans as NPA. • Tested the appropriateness of Bank’s rationale for establishing additional provisions over and above RBI norms and testing the adequacy of such provisions. • Assessed the appropriateness, accuracy and adequacy of related presentation and disclosures in accordance with the applicable accounting standards and requirements of RBI with respect to NPAs and restructured advances.

Key audit matter

Information technology (IT) system and controls

The Bank's key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated.

Appropriate IT general controls and application controls are necessary for obtaining accurate, consistent and reliable information for financial reporting.

We have identified 'IT systems and automated controls' as key audit matter because of high level of automation, significant number of systems being used by Bank and the relative complexity of the IT architecture.

How the matter was addressed in our audit

In assessing the controls over the IT systems of the Bank, we involved our technology specialists to obtain an understanding of the IT environment, IT infrastructure and IT systems.

We evaluated and tested relevant IT general controls and IT application controls of the in-scope IT systems identified as relevant for our audit of the financial statements and financial reporting process of the Bank.

Our audit procedures with regards to aforesaid in-scope IT systems, included the following:

- Program change management which includes controls designed to ensure movement of program changes to the production environment as per defined procedures and that developers and production support personnel did not have access to change applications, the operating system or databases in the production environment.
- User access management - includes controls for granting access rights, new user creation, removal of user rights, periodic access review, preventive controls designed to enforce segregation of duties, password management and granting of privilege access to authorized personnel.
- Program development, which includes controls over IT application development or implementation and related infrastructure, which are relied upon for financial reporting.
- IT operations, which includes controls for job scheduling, monitoring, backup and recovery.

Our audit procedures with regards to aforesaid in-scope IT systems, included the following:

- Tested the effectiveness of key IT general controls during the period covered by the audit.
- Tested the effectiveness during the period covered by our audit of key IT application controls and other key aspects such as automated calculations, system interface/reconciliation controls and system generated reports.
- Wherever required, we tested compensating IT controls

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

The Bank's Management and the Board of Directors are responsible for the other information. The other information comprises the information included in the Bank's annual report, but does not include the Financial Statements and our Auditor's Report thereon. The Bank's Annual report is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the Financial Statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether the 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 Bank's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's and Board of Directors' responsibilities for the Financial Statements

The Bank's Management and the Board of Directors are 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 state of affairs, profit/loss and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, provisions of Section 29 of the Banking Regulation Act, 1949 and the circulars, guidelines and directions issued by the Reserve Bank of India 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 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 and the Board of Directors are 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 the Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors 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 and the Board of Directors.
- Conclude on the appropriateness of Management and the Board of Directors' use of the going concern basis of accounting in preparation of Financial Statements 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 of the current year 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.

Other Matter

The Financial Statements of the Bank for the year ended 31 March 2023, were audited by S.R. Batliboi & Associates LLP and Sundaram & Srinivasan, the joint statutory auditors of the Bank, who have expressed an unmodified opinion on those Financial Statements vide their Independent Auditor's Report dated 05 May 2023.

Our opinion is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

In our opinion, 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 and Section 133 of the Act and the relevant rules issued thereunder.

1. The report does not include a statement on the matters specified on paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, since in our opinion and according to the information and explanations given to us, the said Order is not applicable to the Bank.
2. As required by sub-section (3) of Section 30 of the Banking Regulation Act, 1949, 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) since the key operations of the Bank are automated with the key applications integrated to the core banking systems, the audit is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein. However, during the course of our audit, we have visited 26 branches in total to examine the records maintained at the branches for the purpose of our audit.
3. (A) 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, and 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, to the extent they are not inconsistent with the circulars, guidelines and directions prescribed by the RBI;
 - e) On the basis of the written representations received from the directors as on 31 March 2024 and 1 April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act; and
 - f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a) The Bank has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its Financial Statements - refer schedule 18(15) to the Financial Statements;
 - b) The Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - refer schedule 18(16) to the Financial statements;
 - c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank;
 - d) (i) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in schedule 18(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:
 - 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.
- (ii) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the schedule 18(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:
- 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.
- (iii) Based on the audit procedures performed that have been 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 (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e) The final dividend paid by the Bank 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.
- f) As stated in schedule 18(13.5) to the Financial Statements, the Board of Directors of the Bank 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.
- g) Based on our examination which included test checks, the Bank has used accounting softwares for maintaining its books of account which, along with access management tools, have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.
- (C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- The Bank is a banking company as defined under the Banking Regulation Act, 1949. Accordingly, the requirements prescribed under Section 197 of the Act are not applicable.

For B S R & Co. LLP

Chartered Accountants

Firm Registration no.: 101248W/W-100022

Ashwin Suvarna

Partner

Membership No.: 109503

UDIN: 24109503BKCSJU9804

Place: Mumbai

Date: 24 April 2024

For Sundaram & Srinivasan

Chartered Accountants

Firm Registration no.: 004207S

S Ramkumar

Partner

Membership No.: 238820

UDIN: 24238820BKERJZ4091

Place: Mumbai

Date: 24 April 2024

ANNEXURE A to the Independent Auditor's report on the Financial Statements of DCB Bank Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph (3)(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to Financial Statements of DCB Bank Limited (the "Bank") as of 31 March 2024 in conjunction with our audit of the Financial Statements of the Bank for the year ended on that date.

In our opinion, the Bank has, in all material respects, adequate internal financial controls with reference to Financial Statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to Financial Statements 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 (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Bank's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to Financial Statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note. 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 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Financial Statements. 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 Financial Statements were established and maintained and whether 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 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 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 Financial Statements.

Meaning of Internal Financial controls with Reference to Financial Statements

The Bank'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. The Bank's internal financial controls with reference to Financial Statements include 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 Bank; (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 Bank are being made only in accordance with authorisations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank'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 controls 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.

For B S R & Co. LLP

Chartered Accountants
Firm Registration no.: 101248W/W-100022

Ashwin Suvarna

Partner
Membership No.: 109503
UDIN: 24109503BKCSJU9804

Place: Mumbai
Date: 24 April 2024

For Sundaram & Srinivasan

Chartered Accountants
Firm Registration no.: 004207S

S Ramkumar

Partner
Membership No.: 238820
UDIN: 24238820BKERJZ4091

Place: Mumbai
Date: 24 April 2024

BALANCE SHEET

as at March 31, 2024

	Schedule	As on 31.03.2024 (₹ in 000's)	As on 31.03.2023 (₹ in 000's)
CAPITAL & LIABILITIES			
Capital	1	31,28,045	31,15,017
Employee Stock Options (Grants outstanding net of deferred cost)		34,096	30,790
Reserves and Surplus	2	4,75,50,555	4,25,15,328
Capital and Reserves		5,07,12,696	4,56,61,135
Deposits	3	49,35,30,343	41,23,89,076
Borrowings	4	6,21,94,750	4,11,81,200
Other Liabilities and Provisions	5	2,39,31,880	2,44,27,281
TOTAL CAPITAL & LIABILITIES		63,03,69,669	52,36,58,692
ASSETS			
Cash and Balances with Reserve Bank of India	6	2,86,69,323	2,03,06,041
Balances with Banks and Money at Call and Short Notice	7	19,89,549	33,78,201
Investments	8	16,21,08,481	12,58,24,569
Advances	9	40,92,45,645	34,37,80,425
Fixed Assets	10	86,48,834	82,62,680
Other Assets	11	1,97,07,837	2,21,06,776
TOTAL ASSETS		63,03,69,669	52,36,58,692
Contingent Liabilities	12	9,29,69,912	5,09,77,732
Bills for Collection		61,17,348	53,41,555
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

Ravi Kumar

Chief Financial Officer

Rubi Chaturvedi

Company Secretary

As per our report of even date.

For B S R & Co. LLP

Chartered Accountants
Firm Registration Number: 101248W/W-100022

Ashwin Suvarna

Partner
Membership No. : 109503

For SUNDARAM & SRINIVASAN

Chartered Accountants
Firm Registration Number: 004207S

S Ramkumar

Partner
Membership No. : 238820

Place : Mumbai
Date : April 24, 2024

Place : Mumbai
Date : April 24, 2024

PROFIT AND LOSS ACCOUNT

for the year ended March 31, 2024

	Schedule	Year Ended 31.03.2024 (₹ in 000's)	Year Ended 31.03.2023 (₹ in 000's)
I. INCOME			
Interest Earned	13	5,36,20,393	4,20,02,710
Other Income	14	47,42,371	40,93,904
TOTAL INCOME		5,83,62,764	4,60,96,614
II. EXPENDITURE			
Interest Expended	15	3,43,41,407	2,48,32,658
Operating Expenses	16	1,53,76,910	1,33,96,619
Provisions and Contingencies	18 (12.1)	32,84,702	32,11,748
TOTAL EXPENDITURE		5,30,03,019	4,14,41,025
III. PROFIT / (LOSS)			
Net Profit for the Year		53,59,745	46,55,589
Balance in Profit & Loss Account brought forward		1,38,48,797	1,10,72,702
TOTAL PROFIT/(LOSS)		1,92,08,542	1,57,28,291
IV. APPROPRIATIONS			
Transfer to Statutory Reserve		13,39,937	11,63,897
Transfer to Special Reserve		3,56,000	2,24,199
Transfer to Capital Reserve		49,463	27,650
Transfer to / (from) Investment Reserve		(8,159)	(7,831)
Transfer to Investment Fluctuation Reserve		3,82,011	2,25,655
Transfer from Revaluation Reserve		(68,574)	(65,105)
Dividend Paid		3,89,663	3,11,029
Balance carried over to Balance sheet		1,67,68,201	1,38,48,797
TOTAL		1,92,08,542	1,57,28,291
Earnings per share			
(i) Basic (₹)	17 (17)		
(ii) Diluted (₹)	18 (11.2)	17.18	14.96
Face Value per share (₹)	18 (11.2)	16.99	14.79
Significant Accounting Policies	17	10.00	10.00
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

Ravi Kumar

Chief Financial Officer

Rubi Chaturvedi

Company Secretary

As per our report of even date.

For B S R & Co. LLP

Chartered Accountants
Firm Registration Number: 101248W/W-100022

Ashwin Suvarna

Partner
Membership No. : 109503

Place : Mumbai
Date : April 24, 2024

For SUNDARAM & SRINIVASAN

Chartered Accountants
Firm Registration Number: 004207S

S Ramkumar

Partner
Membership No. : 238820

Place : Mumbai
Date : April 24, 2024

CASH FLOW STATEMENT

for the year ended March 31, 2024

		(₹ in 000s)
	Year ended 31.03.2024	Year ended 31.03.2023
Cash Flow from Operating Activities		
Net Profit after tax for the year (Refer Profit and Loss Account)	53,59,745	46,55,589
Add: Provision for income tax (Refer Schedule 18 (12.1))	18,59,850	16,19,990
Net Profit before tax for the year	72,19,595	62,75,579
Adjustments for:		
Provisions for Advances	24,48,387	19,46,216
Provisions for Restructured Advances	(1,03,953)	(50,987)
Provision for Investments	(1,101)	14,076
Provision for Standard Assets*	(7,75,929)	(4,74,327)
Provision for Other Assets and Contingencies	114	1,21,107
Depreciation / Amortisation on Fixed Assets	9,44,428	7,70,110
Loss on Sale of Fixed Assets	(1,545)	7,699
Amortisation of Premium on Held-to-Maturity (HTM) Investments	7,55,563	7,53,802
Amortisation of Premium on Acquired Assets	-	8,590
ESOPs/CSARs Compensation	39,962	29,775
Cash Flow from Operating Activities before adjustments	1,05,25,521	94,01,640
Adjustments for:		
Increase/(Decrease) in Deposits	8,11,41,268	6,54,72,210
Increase/(Decrease) in Other Liabilities & Provisions	2,45,776	50,71,182
(Increase)/Decrease in Investments	(3,70,38,374)	(3,60,85,910)
(Increase)/Decrease in Advances	(6,78,09,655)	(5,47,53,423)
(Increase)/Decrease in Other Assets	19,33,593	(38,16,374)
Refund/(Payment) of direct taxes (Including Tax Deducted at Source)	(13,96,521)	(9,46,505)
Net Cash Flow from / (used in) Operating activities	A (1,23,98,392)	(1,56,57,180)
Cash Flow from / (used in) Investing activities		
Purchase of Fixed assets	(13,52,429)	(16,65,084)
Proceeds from sale of Fixed Assets	23,393	17,458
Net Cash Flow from / (used in) Investing activities	B (13,29,036)	(16,47,626)
Cash Flow from / (used in) Financing Activities		
Proceeds from Issue of Capital (including ESOPs)	78,172	29,669
Issue of Subordinated Debt	-	30,00,000
Repayment of Subordinated Debt	-	(45,00,000)
Proceeds from Borrowings	61,78,29,744	2,53,92,569
Repayment of Borrowings	(59,68,16,195)	(2,35,29,765)
Dividend Paid	(3,89,663)	(3,11,029)
Net Cash Flow from / (used in) Financing activities	C 2,07,02,058	81,444
Net Increase/ (Decrease) in Cash and Cash Equivalents	A+B+C 69,74,630	(1,72,23,362)

CASH FLOW STATEMENT

for the year ended March 31, 2024

	Year ended 31.03.2024	Year ended 31.03.2023
	(₹ in 000s)	
Cash and cash equivalents at the beginning of the year	2,36,84,242	4,09,07,604
Cash and cash equivalents at the end of the year	3,06,58,872	2,36,84,242
Notes to the cash flow statement		
Cash and cash equivalent includes the following:		
Cash and balances with Reserve Bank of India (Refer Schedule 6)	2,86,69,323	2,03,06,041
Balances with Banks and Money at Call and Short notice (Refer Schedule 7)	19,89,549	33,78,201
Cash and Cash equivalent at the end of the year	3,06,58,872	2,36,84,242

*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

Ravi Kumar

Chief Financial Officer

Rubi Chaturvedi

Company Secretary

As per our report of even date.

For B S R & Co. LLP

Chartered Accountants
Firm Registration Number: 101248W/W-100022

Ashwin Suvarna

Partner
Membership No. : 109503

Place : Mumbai
Date : April 24, 2024

For SUNDARAM & SRINIVASAN

Chartered Accountants
Firm Registration Number: 004207S

S Ramkumar

Partner
Membership No. : 238820

Place : Mumbai
Date : April 24, 2024

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

SCHEDULE 1 - CAPITAL

	As on 31.03.2024 (₹ in 000's)	As on 31.03.2023 (₹ 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*		
31,28,04,489 (as at March 31, 2023: 31,15,01,733)	31,28,045	31,15,017
Equity Shares of ₹ 10/- each		
TOTAL	31,28,045	31,15,017

*(During the year, 13,02,756 (Previous year: 5,25,270) 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 31.03.2024 (₹ in 000's)	As on 31.03.2023 (₹ in 000's)
I. Statutory Reserve		
Opening balance	82,05,279	70,41,382
Additions during the year	13,39,937	11,63,897
TOTAL (I)	95,45,216	82,05,279
II. Special Reserve under section 36(1)(viii) of the Income Tax Act, 1961		
Opening balance	17,40,188	15,15,989
Additions during the year	3,56,000	3,25,000
Deductions during the year	-	(1,00,801)
TOTAL (II)	20,96,188	17,40,188
III. Capital Reserve		
a) Revaluation Reserve		
Opening balance	29,69,261	22,53,342
Additions during the year	-	7,81,024
Deductions during the year (transferred to Balance in Profit & Loss Account)*	(68,574)	(65,105)
TOTAL (a)	29,00,687	29,69,261
b) Other Capital Reserve		
Opening balance	14,31,061	14,03,411
Additions during the year	49,463	27,650
Deductions during the year	-	-
TOTAL (b)	14,80,524	14,31,061
TOTAL (a + b) (III)	43,81,211	44,00,322

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

SCHEDULE 2 - RESERVES & SURPLUS

	As on 31.03.2024 (₹ in 000's)	As on 31.03.2023 (₹ in 000's)
IV. Securities Premium		
Opening balance	1,37,00,478	1,36,76,061
Additions during the year	65,145	24,417
Deductions during the year	-	-
TOTAL (IV)	1,37,65,623	1,37,00,478
V. Investment Reserve		
Opening balance	8,159	15,990
Additions during the year	-	-
Deductions during the year	(8,159)	(7,831)
TOTAL (V)	-	8,159
VI. Investment Fluctuation Reserve		
Opening balance	6,12,105	3,86,450
Additions during the year	3,82,011	2,25,655
Deductions during the year	-	-
TOTAL (VI)	9,94,116	6,12,105
VII. Balance in Profit and Loss Account	1,67,68,201	1,38,48,797
TOTAL (I to VII)	4,75,50,555	4,25,15,328

*Refer Note 18 (11.9) (Revaluation of Fixed Assets)

SCHEDULE 3 - DEPOSITS

	As on 31.03.2024 (₹ in 000's)	As on 31.03.2023 (₹ in 000's)
A I. Demand Deposits		
(i) From Banks	1,27,695	1,50,849
(ii) From Others	2,40,01,805	2,09,90,514
TOTAL (I)	2,41,29,500	2,11,41,363
II. Savings Bank Deposits	10,42,94,906	8,78,14,697
TOTAL (II)	10,42,94,906	8,78,14,697
III. Term Deposits		
(i) From Banks	4,85,35,836	4,08,40,612
(ii) From Others	31,65,70,101	26,25,92,404
TOTAL (III)	36,51,05,937	30,34,33,016
TOTAL (I,II and III)	49,35,30,343	41,23,89,076
B I. Deposits of branches in India	49,35,30,343	41,23,89,076
II. Deposits of branches outside India	-	-
TOTAL	49,35,30,343	41,23,89,076

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

SCHEDULE 4 - BORROWINGS

	As on 31.03.2024 (₹ in 000's)	As on 31.03.2023 (₹ in 000's)
I. Borrowings in India		
(i) Reserve Bank of India	87,60,000	10,00,000
(ii) Other Banks	2,50,000	2,50,000
(iii) Other Institutions and Agencies	4,93,50,700	3,69,31,200
(iv) Sub-Ordinated Debts	30,00,000	30,00,000
TOTAL (I)	6,13,60,700	4,11,81,200
II. Borrowings outside India	8,34,050	-
TOTAL (I & II)	6,21,94,750	4,11,81,200
Secured Borrowings included in I & II above	87,60,000	10,00,000

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

	As on 31.03.2024 (₹ in 000's)	As on 31.03.2023 (₹ in 000's)
I. Bills Payable	95,65,577	1,08,75,695
II. Inter Office Adjustments (Net)	-	-
III. Interest Accrued (Net of TDS recoverable)	61,52,388	46,16,047
IV. Others		
(i) Provision for Standard Assets *	27,55,945	35,97,411
(ii) Other Liabilities (including provisions)**	54,57,970	53,38,128
TOTAL	2,39,31,880	2,44,27,281

* includes provision for unhedged foreign currency exposure and provision on specific standard assets. Refer Schedule 18 (5.14) (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 31.03.2024 (₹ in 000's)	As on 31.03.2023 (₹ in 000's)
I. Cash in hand	18,56,784	18,46,304
(including foreign currency notes)		
II. Balances with Reserve Bank of India		
(i) In Current Accounts	2,32,12,539	1,69,59,737
(ii) In Other Accounts	36,00,000	15,00,000
TOTAL (II)	2,68,12,539	1,84,59,737
TOTAL (I & II)	2,86,69,323	2,03,06,041

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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

	As on 31.03.2024 (₹ in 000's)	As on 31.03.2023 (₹ in 000's)
I. In India		
i. Balance with Banks		
(a) In Current Accounts*	94,237	52,235
(b) In Other Deposit Accounts	2,307	2,080
* includes funds in transit : Nil		
(Previous Year : ₹ 0.24 crore)		
TOTAL	96,544	54,315
ii. Money at Call and Short Notice		
(a) With Banks	-	-
(b) With Other Institutions	-	-
TOTAL	-	-
TOTAL (I)	96,544	54,315
II. Outside India		
(i) In Current Accounts	6,94,475	5,72,013
(ii) In Other Deposit Accounts	11,98,530	27,51,873
(iii) Money at Call and Short Notice	-	-
TOTAL (II)	18,93,005	33,23,886
TOTAL (I & II)	19,89,549	33,78,201

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

SCHEDULE 8 - INVESTMENTS

	As on 31.03.2024 (₹ in 000's)	As on 31.03.2023 (₹ in 000's)
I. Investments in India		
Net Investments in :-		
(i) Government Securities	12,37,92,633	9,92,79,795
(ii) Other Approved Securities	-	-
(iii) Shares	2,96,301	2,25,994
(iv) Debentures and Bonds	9,97,566	12,36,733
(v) Subsidiaries and/or Joint Ventures	-	-
(vi) Other Investments :		
(a) Certificate of Deposits/Commercial Paper	-	-
(b) Units of Mutual Funds	14,144	53,762
(c) Pass Through Certificates	3,69,34,059	2,48,02,744
(d) Security Receipts*	73,778	2,25,541
TOTAL (I)	16,21,08,481	12,58,24,569
II. Investments outside India in		
(i) Government Securities	-	-
(ii) Subsidiaries and/or Joint Ventures abroad	-	-
(iii) Other Investments	-	-
TOTAL (II)	-	-
TOTAL (I & II)	16,21,08,481	12,58,24,569
Investments in India		
i. Gross Value	16,23,44,660	12,59,96,664
ii. Provision for Depreciation	(2,36,179)	(1,72,095)
TOTAL	16,21,08,481	12,58,24,569

*Refer Schedule 18 (5.9 and 5.10) (Details of financial assets (including written off accounts) sold to Securitisation/ Reconstruction Company for Asset Reconstruction and Details of investment in security receipts (SRs))

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

SCHEDULE 9 - ADVANCES

	As on 31.03.2024 (₹ in 000's)	As on 31.03.2023 (₹ in 000's)
I. (i) Bills Purchased and Discounted	26,54,039	67,60,725
(ii) Cash credits, Overdrafts and Loans repayable on demand	5,30,40,471	4,62,01,723
(iii) Term Loans	35,35,51,135	29,08,17,977
TOTAL (I)	40,92,45,645	34,37,80,425
II. (i) Secured by tangible assets*	38,68,67,256	32,53,06,055
(ii) Covered by Bank / Government Guarantees	-	-
(iii) Unsecured	2,23,78,389	1,84,74,370
*includes Advances against Book Debts		
TOTAL (II)	40,92,45,645	34,37,80,425
III. (a) Advances in India		
(i) Priority Sectors	21,13,87,080	18,29,11,050
(ii) Public Sector	-	-
(iii) Banks	-	-
(iv) Others	19,78,58,565	16,08,69,375
TOTAL	40,92,45,645	34,37,80,425
(b) Advances outside India	-	-
(i) Due from banks	-	-
(ii) Due from others	-	-
(a) Bills purchased and discounted	-	-
(b) Syndicated loans	-	-
(c) Others	-	-
TOTAL (III)	40,92,45,645	34,37,80,425

Advances are net of provisions

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

SCHEDULE 10 - FIXED ASSETS

	As on 31.03.2024 (₹ in 000's)	As on 31.03.2023 (₹ in 000's)
I. Premises (Gross Block including Revaluation)		
(i) As at 31 March of the preceding year	71,39,604	56,56,538
(ii) Additions during the year	5,07,813	14,88,791
(iii) Deductions during the year	(1,810)	(5,725)
Total	76,45,607	71,39,604
Depreciation to date (including on Revaluation)		
(i) As at 31 March of the preceding year	11,23,097	9,60,400
(ii) Charge for the year	1,97,543	1,66,085
(iii) On deductions during the year	(1,810)	(3,388)
Total	13,18,830	11,23,097
Net Block	63,26,777	60,16,507
II. Other Fixed Assets (Gross Block including Furniture & Fixtures)*		
(i) As at 31 March of the preceding year	57,76,547	48,35,803
(ii) Additions during the year	10,42,791	10,49,580
(iii) Deductions during the year	(1,06,972)	(1,08,836)
Total	67,12,366	57,76,547
Depreciation to date		
(i) As at 31 March of the preceding year	39,66,338	34,48,329
(ii) Charge for the year	7,46,885	6,04,025
(iii) On deductions during the year	(85,126)	(86,016)
Total	46,28,097	39,66,338
Net Block	20,84,269	18,10,209
III. Capital Work In Progress	2,37,788	4,35,964
TOTAL (I+II+III)	86,48,834	82,62,680

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

SCHEDULE 11 - OTHER ASSETS

	As on 31.03.2024 (₹ in 000's)	As on 31.03.2023 (₹ in 000's)
I. Inter-Office Adjustments (Net)	-	-
II. Interest accrued	71,63,611	63,29,891
III. Tax paid in Advance/Tax deducted at Source (Net of provision)	4,64,542	7,12,710
IV. Stationery and Stamps	7,969	6,160
V. Non-Banking Assets acquired in satisfaction of claims (Net)	-	-
VI. Deferred Tax Assets (Net)*	13,84,722	15,99,884
VII. Others**	1,06,86,993	1,34,58,131
TOTAL	1,97,07,837	2,21,06,776

* Refer Schedule 18 (11.7) (Deferred Tax)

**Includes Priority Sector Shortfall Deposits of ₹ 894.59 crore (previous year ₹ 1,188.40 crore)

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

SCHEDULE 12 - CONTINGENT LIABILITIES

	As on 31.03.2024 (₹ in 000's)	As on 31.03.2023 (₹ in 000's)
I. Claims against the Bank not acknowledged as debts	3,30,194	3,47,889
II. Liability for partly paid investments	-	-
III. Liability on account of outstanding forward exchange and derivative contracts		
(a) Forward Contracts	6,71,73,345	3,44,16,308
(b) Interest Rate Swaps and Currency Swaps	-	-
(c) Foreign Currency Options	-	-
IV. Guarantees given on behalf of constituents		
(a) In India	1,41,96,816	1,24,40,018
(b) Outside India	7,69,006	7,03,062
V. Acceptances, Endorsements and other obligations	9,43,525	11,62,826
VI. Other items for which the Bank is contingently liable*	95,57,026	19,07,629
TOTAL	9,29,69,912	5,09,77,732

*includes

- i) ₹ 876 crore of lending under RBI Liquidity Adjustment Facility outstanding as at March 31, 2024 (Previous Year : ₹ 102 crore as on March 31, 2023) as per RBI circular FMRD.DIRD. 10/14.03.002/2015-16.
- ii) ₹ 77.38 crore (Previous year: ₹ 70.38 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) ₹ 2.32 crore (Previous Year : ₹ 2.77 crore) includes capital commitment towards unpaid commitment towards new premises and undrawn amount of Alternative Investment Fund

SCHEDULE 13 - INTEREST EARNED

	Year Ended 31.03.2024 (₹ in 000's)	Year Ended 31.03.2023 (₹ in 000's)
I. Interest/Discount on Advances/Bills	4,23,79,641	3,39,48,224
II. Income on Investments	1,04,99,253	70,78,215
III. Interest on Balance with Reserve Bank of India and other Inter Bank Funds	3,21,334	6,34,989
IV. Others	4,20,165	3,41,282
TOTAL	5,36,20,393	4,20,02,710

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

SCHEDULE 14 - OTHER INCOME

	Year Ended 31.03.2024 (₹ in 000's)	Year Ended 31.03.2023 (₹ in 000's)
I. Commission, Exchange and Brokerage	38,83,090	30,29,629
II. Profit/(Loss) on sale of Investments (Net)	3,26,179	1,09,088
III. Profit/(Loss) on revaluation of Investments (Net)	20,765	(14,076)
IV. Profit/(Loss) on sale of Land, Buildings and Other Assets (Net)	1,545	(7,699)
V. Profit/(Loss) on Exchange Transactions (Net)	1,57,061	2,81,244
VI. Income earned by way of Dividends, etc. from Subsidiaries, Companies and/or Joint Ventures abroad/in India	-	-
VII. Miscellaneous Income	3,53,731	6,95,718
TOTAL	47,42,371	40,93,904

SCHEDULE 15 - INTEREST EXPENDED

	Year Ended 31.03.2024 (₹ in 000's)	Year Ended 31.03.2023 (₹ in 000's)
I. Interest on Deposits	3,07,15,236	2,22,71,306
II. Interest on Reserve Bank of India/Inter-Bank Borrowings	5,06,395	3,66,577
III. Other Interest	31,19,776	21,94,775
TOTAL	3,43,41,407	2,48,32,658

SCHEDULE 16 - OPERATING EXPENSES

	Year Ended 31.03.2024 (₹ in 000's)	Year Ended 31.03.2023 (₹ in 000's)
I. Payments to and Provisions for Employees	79,43,286	69,28,957
II. Rent, Taxes and Lighting	14,37,521	12,32,640
III. Printing and Stationery	1,18,251	1,10,793
IV. Advertisement and Publicity	71,958	53,691
V. Depreciation on Bank's property	9,44,428	7,70,110
VI. Directors' Fees, Allowances and Expenses	22,350	15,487
VII. Auditors' Fees and Expenses	17,299	16,021
VIII. Law Charges	1,95,859	1,54,212
IX. Postages, Telegrams, Telephones, etc.	1,98,885	2,02,308
X. Repairs and Maintenance	4,74,518	4,04,051
XI. Insurance	5,05,691	4,21,958
XII. Other Expenditure*	34,46,864	30,86,391
TOTAL	1,53,76,910	1,33,96,619

*includes an amount of ₹ 9.97 crore (Previous year : ₹ 8.85 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))

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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 (“AS”) notified under Section 133 of the Companies Act 2013 read with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standard) Rules, 2021 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.

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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 (NPI) are identified and provision is recognised as per the RBI guidelines. The provision on such NPI is not set - off against the appreciation in respect of other performing investments. Interest on NPI is not recognised until received.

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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 basis RBI guidelines. In respect of identified NPAs in Retail portfolio, provision is recognised on the retail loans and advances assessed at borrower level on the basis of ageing of loans in the non-performing category and

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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. Non-performing assets are written-off in accordance with the Bank's policy. Recoveries from bad debts written off are recognised in Profit & Loss account under Provisions and Contingencies.

- 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 on 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. The Bank makes floating provision at 0.05% per annum on the opening balance of Standard Advances at the beginning of every calendar quarter, proportionately for the quarter. 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.

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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.

Sr. No	Particulars	Estimated useful life specified under Schedule II of the Companies Act, 2013	Estimated useful life as assessed by the Bank
1	Branch renovations	In case: 1. Lease premises Over the contractual lease term or estimated useful of the assets whichever is less 2. Owned premises Estimated useful life of the assets	1. Lease premises 5 years, subject to a maximum of contractual lease term. 2. Owned premises 5 years
2	Electrical Fittings i. Air Conditioners ii. Other Electrical Fittings	Not Specified 10 years	9 years 5 years
3	Furniture and Fixtures	10 years	5 years
4	Software	Not specified	8 years - Core Software for Bank Operations 5 years - Specified Application Software 3 years - All other software
5	Hardware i. Servers and network infrastructure expenditure ii. End user devices, such as laptop, desktops	6 years 3 years	5 years 3 years
6	Cash Safes and Safe Deposit Vault	Not specified	10 years
7	Vehicles	8 years	5 years with 5% residual value

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. Whenever there is a revision in the estimated useful life of an asset, the unamortized depreciable amount is charged over the revised remaining useful life of the said asset. Assets costing less than ₹5,000 individually are fully depreciated in the year of purchase.

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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 due basis. 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

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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. The actuarial calculations entail assumptions about demographics, early retirement, salary increases, interest rates etc. 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

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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).

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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.

21.1 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.

21.2 Wholesale Banking includes lending, deposit taking and other services offered to corporate customers.

21.3 Retail Banking includes lending, deposit taking and other services offered to retail customers.

21.4 Other Banking Operations includes para banking activities like third party product distribution, merchant banking, etc.

22. CORPORATE SOCIAL RESPONSIBILITY

Expenditure towards corporate social responsibility, in accordance with Companies Act, 2013, is recognized in the Profit and Loss Account.

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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, 2024	As at March 31, 2023
Common Equity Tier 1 capital (CET 1)	4,771.58	4,284.30
Additional Tier 1 capital	-	-
Tier 1 Capital (i + ii)	4,771.58	4,284.30
Tier 2 Capital	675.01	668.98
Total Capital (Tier 1+Tier 2)	5,446.59	4,953.28
Total Risk Weighted Assets (RWAs)	32,833.64	28,221.32
CET 1 Ratio (%)	14.53%	15.18%
Tier 1 Ratio (%)	14.53%	15.18%
Tier 2 Ratio (%)	2.06%	2.37%
Capital to Risk Weighted Assets Ratio (CRAR) (%)	16.59%	17.55%
Leverage Ratio (%)	7.28%	7.83%
Percentage of shareholding of Government of India	-	-
Amount of paid-up equity capital raised-*		
Share Capital:	1.30	0.53
Securities Premium:	6.51	2.44
Amount of non-equity Tier 1 capital raised	-	-
Amount of Tier 2 capital raised (Refer note 2)	-	300.00

*The Bank has allotted during the year 1,302,756 (Previous year 525,270) equity shares consequent to exercise of ESOPs vested. Accordingly, the share capital increased by ₹ 1.30 crore (Previous year: ₹ 0.53 crore) and securities premium increased by ₹ 6.51 crore (Previous year: ₹ 2.44 crore).

1.2 Reserves and Surplus

(a) Statutory Reserve

During the year ended March 31, 2024, the Bank has appropriated ₹ 133.99 crore (previous year: ₹ 116.39 crore) out of profits for the year ended March 31, 2024 to the Statutory Reserve in terms of sections 17 of the Banking Regulation Act, 1949 and RBI guidelines.

(b) Capital Reserve

During the year ended March 31, 2024, the Bank has appropriated ₹ 4.95 crore (previous year: ₹ 2.76 crore), being the profit from sale or redemption of investments under HTM category and profit on sale of immovable properties, net of taxes and transfer to statutory reserve, from the Profit and Loss Account to the Capital Reserve.

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

(c) Special Reserve

During the year ended March 31, 2024, the Bank has appropriated ₹ 35.60 crore (previous year: ₹ 22.42 crore) out of profits for the year ended March 31, 2024 to the Special Reserve as required under Income Tax Act, 1961.

(d) Investment Fluctuation Reserve

During the year ended March 31, 2024, the Bank has appropriated ₹ 38.20 crore (previous year: ₹ 22.57 crore) to Investment Fluctuation Reserve in compliance with extant RBI guidelines.

(e) Investment Reserve

During the year ended March 31, 2024, the Bank has utilised ₹ 0.82 crore (previous year: ₹ 0.78 crore) from the Investment Reserve.

(f) Revaluation Reserve

During the year ended March 31, 2024, the Bank has transferred ₹ 6.86 crore (previous year: ₹ 6.51 crore) from Revaluation Reserve to Profit and Loss Account.

(g) Draw down from Reserves

The Bank has drawn down ₹ 0.82 crore from Investment Reserve Account towards depreciation on investment in AFS and HFT categories in terms of RBI guidelines during the financial year 2023-24.

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.

2 SUB-ORDINATED DEBT THROUGH PRIVATE PLACEMENT OF BONDS

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, 2024	Equivalent Amount as on March 31, 2023
March 28, 2023	9.35	120	300.00	300.00
			300.00	300.00

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

3 INVESTMENTS

3.1 Composition of Investment Portfolio as at March 31, 2024

(₹ in crore)

	Investments in India				Investments outside India				Total Investments			
	Government Securities	Other Approved Securities	Shares	Debtures and Bonds	Subsidiaries and/or joint ventures	Others*	Total investments in India	Government securities (including local authorities)		Subsidiaries and/or joint ventures	Others	Total Investments outside India
Held to Maturity												
Gross	11,263.90	-	-	-	-	-	11,263.90	-	-	-	11,263.90	
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	
Net	11,263.90	-	-	-	-	-	11,263.90	-	-	-	11,263.90	
Available for Sale												
Gross	1,114.56	-	29.63	99.82	-	3,725.60	4,969.61	-	-	-	4,969.61	
Less: Provision for depreciation and NPI	0.16	-	-	0.06	-	23.40	23.62	-	-	-	23.62	
Net	1,114.40	-	29.63	99.76	-	3,702.20	4,945.99	-	-	-	4,945.99	
Held for Trading												
Gross	0.96	-	-	-	-	-	0.96	-	-	-	0.96	
Less: Provision for depreciation and NPI	0.00	-	-	-	-	-	0.00	-	-	-	0.00	
Net	0.96	-	-	-	-	-	0.96	-	-	-	0.96	
Total Investments												
Gross	12,379.42	-	29.63	99.82	-	3,725.60	16,234.47	-	-	-	16,234.47	
Less: Provision for non-performing investments	-	-	-	-	-	1.97	1.97	-	-	-	1.97	
Less: Provision for depreciation	0.16	-	-	0.06	-	21.43	21.65	-	-	-	21.65	
Net	12,379.26	-	29.63	99.76	-	3,702.20	16,210.85	-	-	-	16,210.85	

*Includes Certificate Of Deposits, Units of Mutual Funds, Pass Through Certificates & Security Receipts

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

Composition of Investment Portfolio as at March 31, 2023

	(₹ in crore)										
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others*	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments
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	17.20	-	-	-	17.20
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	17.21	-	-	-	17.21
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

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

3.2 Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(₹ in crore)

Particulars	March 31, 2024	March 31, 2023
(i) Movement of provisions held towards depreciation on investments		
(a) Opening balance	17.21	15.80
(b) Add: Provisions made during the year	19.85	3.81
(c) Less: Write-off/ write-back of excess provisions during the year	13.44	2.40
(d) Closing balance	23.62	17.21
(ii) Movement of Investment Fluctuation Reserve (IFR)		
(a) Opening balance	61.21	38.64
(b) Add: Amount transferred during the year	38.20	22.57
(c) Less: Drawdown	-	-
(d) Closing balance	99.41	61.21
(iii) Closing balance in IFR as a percentage of closing balance of investment in AFS and HFT category	2.00%	2.00%

3.3 Sale and Transfers to / from HTM Category

During the years ended March 31, 2024 and March 31, 2023, 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, 2024	March 31, 2023
Opening Balance	-	-
Additions during the year	1.97	-
Reductions during the year	-	-
Closing Balance	1.97	-
Total provisions held	1.97	-

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

(b) Issuer composition of non-SLR investments

Balances as at March 31, 2024

(₹ in crore)

Sr. No.	Issuer	Amount	Extent of Private Placement*#	Extent of 'Below Investment Grade' Securities#	Extent of 'Unrated' Securities#	Extent of 'Unlisted' Securities*#
1.	PSUs	-	-	-	-	-
2.	FIs	95.60	20.80	-	10.80	20.80
3.	Banks	25.02	-	-	-	-
4.	Private Corporates	14.78	14.78	-	12.78	14.78
5.	Subsidiaries/ Joint Ventures	-	-	-	-	-
6.	Others**	3,719.65	-	-	-	-
7.	Provision held towards Depreciation	(23.46)	-	-	-	-
	Total	3,831.59	35.58	-	23.58	35.58

*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, 2023

(₹ in crore)

Sr. No.	Issuer	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.

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

3.5 Repo Transactions

Financial Year 2023-24

(₹ in crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Balance as at March 31, 2024
Securities Sold under Repo *	-	1,647.97	327.67	876.00
(i) Government Securities	-	1,647.97	327.67	876.00
(ii) Corporate debt Securities	-	-	-	-
(iii) Any other Securities	-	-	-	-
Securities purchased under Reverse Repo *	-	894.30	108.43	-
(i) Government Securities	-	894.30	108.43	-
(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 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 Repo *	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 Repo *	-	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.

3.6 Disclosures on Reserve Bank of India (Government Securities Lending) Directions, 2023 circular dated December 27, 2023

The Bank has not lent/ borrowed/ placed securities as collateral/ received securities as collateral under GSL transactions.

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

3.7 During financial year 2023-24, the Bank made provision of ₹ 4.54 crore in respect of investments in Alternate Investment Funds (AIF) pursuant to the RBI circular dated December 19, 2023. Based on subsequent clarifications issued by RBI, the Bank reassessed the provision and decided not to reverse any provision held in respect of investments in AIF.

4 DERIVATIVES

4.1 Forward Rate Agreements / Interest Rate Swaps

(₹ in crore)

Particulars	March 31, 2024	March 31, 2023
The notional principal of swap agreements	NIL	NIL
Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	NIL	NIL
Collateral required by the bank upon entering into swaps	NIL	NIL
Concentration of credit risk arising from the swaps	NIL	NIL
The fair value of the swap book	NIL	NIL

4.2 Exchange Traded Interest Rate Derivatives

(₹ in crore)

Sr. No.	Particulars	March 31, 2024	March 31, 2023
i.	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)		
	6.54 G-Sec 2032	-	297.94
	6.10 G-Sec 2031	-	266.17
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 PV01 (sensitivity of the portfolio to one basis point change in the interest rate), 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.

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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, 2024	March 31, 2024	March 31, 2023	March 31, 2023
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	NIL	NIL	0.24
	Minimum	NIL	NIL	NIL	0.01

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 ₹ 6,717.33 crore (Previous year: ₹ 3,441.63 crore).

4.4 Credit Default Swaps

The Bank has not transacted in credit default swaps during the year ended March 31, 2024 (Previous year: NIL).

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

5 ASSET QUALITY

5.1 Classification of advances and provisions held as of March 31, 2024

(₹ in crore)

	Standard	Non-Performing			Total Non-Performing Advances	Total
	Total Standard Advances	Sub-standard	Doubtful	Loss		
Gross Standard Advances and NPAs						
Opening Balance	34,054.31	488.63	634.21	0.00	1,122.84	35,177.15
Add: Additions during the year ¹					1,488.39	
Less: Reductions during the year*					1,257.76	
Closing balance	40,493.14	566.19	779.77	7.51	1,353.47	41,846.61
*Reductions in Gross NPAs due to:					1,257.76	
i) Upgradation					673.73	
ii) Recoveries (excluding recoveries from upgraded accounts) ^{2,3}					472.41	
iii) Technical/ Prudential Write-offs					69.38	
iv) Write-offs other than those under (iii) above					42.24	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	409.54	175.33	453.71	0.00	629.04	1,038.58
Add: Fresh provisions made during the year					486.56	
Less: Excess provision reversed/ Write-off loans					371.40	
Closing balance of provisions held	311.32	150.67	586.02	7.51	744.20	1,055.52
Net NPAs						
Opening Balance		176.43	180.49	0.00	356.92	
Add: Fresh additions during the year ⁴					983.77	
Less: Reductions during the year					886.36	
Closing Balance		260.58	193.75	0.00	454.33	
Floating Provisions						
Opening Balance						136.88
Add: Additional provisions made during the year						18.06
Less: Amount drawn down during the year						0.00
Closing balance of floating provisions						154.94
Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts						604.39
Add: Technical/ Prudential write-offs during the year						69.38
Less: Recoveries/Sacrifice made from previously technical/ prudential written-off accounts during the year						25.70
Closing balance						648.07

1. Includes fresh NPAs during the year.

2. Includes recoveries in upgraded accounts of ₹ 28.23 crore.

3. Includes recoveries of ₹ 3.37 crore from NPAs sold to asset reconstruction company.

4. Includes addition to NPAs net off provisions on such NPAs and additional provision on existing NPAs.

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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	34,054.31	488.63	634.21	0.00	1,122.84	35,177.15	
*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 crore.
3. Includes addition to NPAs net off provisions on such NPAs and additional provision on existing NPAs.

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

Assets quality Ratios

Particulars	March 31, 2024	March 31, 2023
Gross NPA to Gross Advances (%)	3.23%	3.19%
Net NPA to Net Advances (%)	1.11%	1.04%
Provision Coverage Ratio (%)	77.30%	79.34%

5.2 Divergence in the asset classification and provisioning

There was no divergence observed by the RBI during FY 2022-23 and FY 2021-22.

5.3 Sector-wise Advances and Gross NPAs

Financial Year 2023-24

(₹ in crore)

Sr. No.	Sector	March 31, 2024		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A	Priority Sector			
1	Agriculture and allied activities	5,278.71	214.93	4.07%
2	Advances to industries sector eligible as priority sector lending of which-	2,649.00	134.23	5.07%
	Constructions	1,435.53	27.64	1.93%
	Textiles	304.75	12.29	4.03%
	Infrastructure - Social & Commercial Infra	280.16	23.43	8.36%
3	Services of which-	6,385.86	301.86	4.73%
	Retail Trade	3,182.05	73.95	2.32%
	Wholesale Trade	934.19	48.71	5.21%
	NBFC	712.16	0.00	0.00%
4	Personal loans of which-	7,353.82	168.07	2.29%
	Housing Loans	4,390.83	144.28	3.29%
	Gold Loans	2,932.09	23.34	0.80%
	Sub-total (A) (1+2+3+4)	21,667.39	819.09	3.78%
B	Non Priority Sector			
1	Agriculture and allied activities	168.72	16.98	10.06%
2	Industry of which-	968.96	95.15	9.82%
	Constructions	305.51	40.80	13.36%
	Textiles	146.03	6.68	4.57%
	Gems & Jewellery	97.74	1.23	1.26%
3	Services of which-	10,353.67	263.23	2.54%
	Retail Trade	3,437.08	113.15	3.29%
	NBFC	2,803.52	0.00	0.00%
4	Personal loans	8,687.87	159.02	1.83%
	Housing Loans	6,579.36	112.64	1.71%
	Sub-total (B) (1+2+3+4)	20,179.22	534.38	2.65%
	Total (A+B)	41,846.61	1,353.47	3.23%

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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	Advances to industries sector eligible as priority sector lending 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-	7,801.51	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)	16,485.86	510.96	3.10%
	Total (A+B)	35,177.15	1,122.84	3.19%

Classification into sectors as above has been done based on the Bank's internal norms which have been relied upon by the auditors.

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023		
Standard	18	27	3	5	2,344	3,149	2,971	4,160	5,336	7,341		
Gross Amount ¹	1.45	2.31	22.28	36.21	568.48	826.35	647.22	846.14	1,239.43	1,711.01		
Provision held	0.11	0.17	2.00	10.76	93.87	121.87	70.24	95.83	166.22	228.63		
Sub-standard	-	2	-	-	354	525	841	125	1,195	652		
Gross Amount	-	0.02	-	-	74.23	142.02	123.68	16.67	197.91	158.71		
Provision held	-	0.00	-	-	30.54	50.37	28.60	3.36	59.14	53.73		
Doubtful	3	2	-	-	897	681	189	150	1,089	833		
Gross Amount	1.29	1.28	-	-	200.18	124.40	27.08	25.10	228.55	150.78		
Provision held	1.27	0.74	-	-	157.16	94.64	19.55	17.19	177.98	112.57		
Total	21	31	3	5	3,595	4,355	4,001	4,435	7,620	8,826		
Gross Amount¹	2.74	3.61	22.28	36.21	842.89	1,092.77	797.98	887.91	1,665.89	2,020.50		
Provision held	1.38	0.91	2.00	10.76	281.57	266.88	118.39	116.38	403.34	394.93		

1. Excludes interest accrued but not due of ₹ NIL (previous year: ₹ 67.17 crore).

Classification into sectors as above has been done on the Bank's internal norms which have been relied upon by auditors.

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

5.5 Disclosures on the scheme for MSME sector – restructuring of advances

(₹ in crore)

Particulars	March 31, 2024	March 31, 2023
1. Total number of accounts restructured at the end of year*	2,344	3,149
2. Amount outstanding	568.48	826.35

*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 2023-24

(₹ in crore)

Particulars	Resolution Plan implemented	Resolution Plan not implemented
No. of borrower where timeline for implementation of resolution plan was before 31 st March 2024	-	1
Fund based outstanding as on 31 st March 2024	-	15.74
Additional provision held as per RBI circular of June 7, 2019	-	5.51

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 31 st March 2023	-	2
Fund based outstanding as on 31 st March 2023	-	33.11
Additional provision held as per RBI circular of June 7, 2019	-	11.59

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

5.7 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 2023-24

(₹ 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, 2023) (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2024	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, 2024)
Personal Loans	493.58	35.02	-	34.47	425.41
Corporate persons	25.72	-	-	3.43	22.28
Of which, MSMEs	-	-	-	-	-
Others	168.06	12.83	-	12.57	143.16
Total	687.36	47.85	-	50.47	590.85

1. Represents fund based outstanding as of September 30, 2023.

2. Represents fund based outstanding as of March 31, 2024.

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.

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

5.8 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, 2024	As at March 31, 2023
(a) Number of frauds reported during the year	146	22
(b) Amount involved in fraud	11.00	1.55
(c) Amount involved in fraud net of recoveries/ write-offs as at the end of the year	10.85	0.97
(d) Provisions made during the year	7.53	0.02
(e) Quantum of unamortised provision debited from 'other reserves' at the end of the year	NIL	NIL

5.9 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, 2024	March 31, 2023
i) No. of accounts	4	NIL
ii) Aggregate value (net of provisions) of accounts sold to SC/RC	0.00	NIL
iii) Aggregate consideration	3.37	NIL
iv) Additional consideration realised in respect of accounts transferred in earlier years	2.62	0.66
v) Aggregate gain/(loss) over net book value	3.37	NIL

As per the extant RBI guidelines, the Bank has not recognized the gains in the financial statements and has recorded the Security Receipts at Net Book Value (NBV).

5.10 Details of investment in security receipts (SRs)

Details of investment in security receipts as at March 31, 2024 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	8.04	16.23	1.97
Provision held against (i)	0.66	16.23	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)	8.04	16.23	1.97

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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

5.11 Details of loans transferred / acquired under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021

Financial Year 2023-24

(i) Details of non-performing assets (NPAs) transferred are given below:

(₹ in crore)

Particulars	To Asset Reconstruction Companies (ARCs)	To Permitted Transferees	To Other Transferees
a) Number of accounts*	1	1	-
b) Aggregate principal outstanding of loans transferred	29.87	8.72	-
c) Weighted average residual tenor of the loans transferred (in years)	NA	8.74	-
d) Net Book value of loans transferred (at the time of transfer)**	0.00	2.82	-
e) Aggregate consideration***	3.37	10.04	-
f) Additional consideration realized in respect of accounts transferred in earlier years	NA	NA	-

* represents number of borrowers

**net of provisions

***Inclusive of interest amount

(ii) The Bank has not transferred any Special Mention Account (SMA).

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

(iii) Details of Loans not in default transferred are given below:

(₹ in crore)

Particulars	Assignment
a) Aggregate amounts of loans transferred	55.13
b) Weighted average residual maturity (in years)	1.15
c) Weighted average holding period (in years)	0.76
d) Retention of beneficial economic interest	NIL
e) Tangible security coverage	-
f) Rating wise distribution of loans transferred by value*	NA

* The Loans transferred are not rated as these are non-corporate borrowers

(iv) Details of loans not in default acquired through assignment are given below:

(₹ in crore)

Particulars	Acquired	Repurchased*
a) Aggregate amount of loans acquired ¹	1,478.49	4.38
b) Weighted average residual maturity (in years)	5.97	9.83
c) Weighted average holding period by originator (in years)	1.08	11.48
d) Retention of beneficial economic interest by the originator	10% to 15%	0%
e) Tangible security coverage (for secured loans) ²	100%	100%

*Loans repurchased under buy back arrangement.

1. Includes deals amounting to ₹ 735.22 crore 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 to non-corporate borrowers.

(v) Details of stressed loans acquired are given below:

(₹ in crore)

Particulars	From Scheduled Commercial Bank #
a) Aggregate principal outstanding of loans acquired	0.43
b) Aggregate consideration paid	0.43
c) Weighted average residual tenor of loans acquired	14.75

Loans repurchased under a buy back arrangement.

Financial Year 2022-23

(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.

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

(iii) Details of loans not in default acquired through assignment are given below:

(₹ in crore)

Particulars	March 31, 2023
a) Aggregate amount of loans acquired ¹	1,030.31
b) Weighted average residual maturity (in years)	5.51
c) Weighted average holding period by originator (in years)	1.15
d) Retention of beneficial economic interest by the originator	10% to 15%
e) Tangible security coverage (for secured loans) ²	100%

- Includes deals amounting to ₹ 425.21 crores which are disbursed for unsecured business loans and personal loans.
- 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 to non-corporate borrowers.

(iv) The Bank has not acquired any stressed loans.

5.12 a) Details of non-performing financial assets purchased from other banks

(₹ in crore)

Particulars	March 31, 2024	March 31, 2023
1. (a) No. of accounts purchased during the year	4	NIL
(b) Aggregate outstanding	0.43	NIL
2. (a) Of these, number of accounts restructured during the year	NIL	NIL
(b) Aggregate outstanding	NIL	NIL

*Loans repurchased under buy back arrangement for financial year 2023-24

b) Details of non-performing financial assets sold to other banks

(₹ in crore)

Particulars	March 31, 2024	March 31, 2023
1. No. of accounts sold during the year	NIL	NIL
2. Aggregate outstanding	NIL	NIL
3. Aggregate consideration received	NIL	NIL

5.13 Disclosures relating to securitisation

During the years ended March 31, 2024 and March 31, 2023, there were no standard assets securitised-out by the Bank.

5.14 Provisions on Standard Assets

(₹ in crore)

Particulars	March 31, 2024	March 31, 2023
Provision for Standard Assets ¹	259.91	278.02
Provision for Unhedged Foreign Currency Exposure of borrowers	2.75	2.75
Provision for Specific Standard Assets ²	12.93	78.97
Total (Refer Schedule 5-IV(i) - Other Liabilities and Provisions)	275.59	359.74

- Includes provision for standard restructured assets.
- Include of ₹ NIL (Previous year: ₹ 52.12 crore) towards likely impact of Covid-19 on restructured and stressed assets.

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

6 BUSINESS RATIOS

Particulars	March 31, 2024	March 31, 2023
Interest Income as a percentage to Working Funds (%) ¹	9.34	8.78
Non-Interest Income as a percentage to Working Funds (%) ¹	0.83	0.86
Cost of deposits (%)	6.86	6.03
Net Interest Margin (%) ²	3.65	3.93
Operating Profit as a percentage to Working Funds (%) ^{1,3}	1.51	1.64
Return on Assets (%) ⁴	0.93	0.97
Business per employee (₹ in crore) ^{5, 6}	8.37	7.80
Profit after tax per employee (₹ in crore) ⁶	0.05	0.05

- 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.
- Ratio of Net Interest Income to average earning assets.
- For the purpose of this ratio, Operating Profit is profit for the year before provisions and contingencies.
- 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.
- For the purpose of this ratio, business has been recorded as deposits (excluding interbank deposits) plus net advances.
- 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, 2024	March 31, 2023
Cost		
As at March 31 of the preceding year	172.78	146.78
Additions during the year	25.54	26.11
Deductions during the year	-	(0.11)
Total (a)	198.32	172.78
Depreciation		
As at March 31 of the preceding year	114.68	98.27
Charge for the year	20.21	16.41
On deductions during the year	-	-
Total (b)	134.89	114.68
Net value as at March 31 of the current year (a-b)	63.43	58.10

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

8 ASSET LIABILITY MANAGEMENT

8.1 Maturity pattern of certain items of assets and liabilities as at March 31, 2024

(₹ in crore)

Maturity Buckets	Loans and Advances	Investments#	Deposits	Borrowings	Foreign Currency Assets@	Foreign Currency Liabilities
Day 1	104.54	4,327.76	549.11	-	80.95	11.20
2 to 7 days	510.82	99.76	700.90	901.00	119.86	6.58
8 to 14 days	398.18	-	335.45	45.91	4.17	2.60
15 to 30 days	953.99	184.67	673.08	36.50	9.25	7.58
31 days to 2 months	990.41	1,662.03	1,838.15	19.08	2.09	23.40
Over 2 months & upto 3 months	882.26	-	1,356.62	142.41	10.03	8.53
Over 3 months & upto 6 months	2,486.86	-	3,954.93	723.10	20.35	60.75
Over 6 months & upto 1 year	2,854.19	3,278.85	11,870.90	1,216.59	-	98.56
Over 1 year & upto 3 years	12,075.70	6,176.90	22,958.86	2,469.02	-	362.88
Over 3 years & upto 5 years	4,072.13	324.68	4,328.78	660.87	-	1.00
Over 5 years	15,595.48	156.20	786.25	5.00	8.13	-
Total	40,924.56	16,210.85	49,353.03	6,219.48	254.83	583.08

@ 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, 2023

(₹ in crore)

Maturity Buckets	Loans and Advances	Investments#	Deposits	Borrowings	Foreign Currency Assets@	Foreign Currency Liabilities
Day 1	191.90	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	34,378.04	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.

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.

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

8.2 Liquidity Coverage Ratio (LCR) (A) Quantitative Disclosures Financial Year 2023-24

(₹ in crore)

	Q1 FY 2023-24		Q2 FY 2023-24		Q3 FY 2023-24		Q4 FY 2023-24	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets								
1 Total High Quality Liquid Assets (HQLA)	10,640.35	10,785.81	10,785.81	11,510.87	11,510.87	11,372.14	11,372.14	11,372.14
Cash Outflows								
2 Retail deposits and deposits from small business customers, of which:	27,084.30	2,333.46	28,373.49	2,451.97	29,395.94	2,545.80	30,504.38	2,646.41
(i) Stable Deposits	7,499.44	374.97	7,707.75	385.39	7,875.95	393.80	8,080.62	404.03
(ii) Less Stable Deposits	19,584.86	1,958.49	20,665.74	2,066.58	21,519.99	2,152.00	22,423.76	2,242.38
3 Unsecured wholesale funding, of which:	8,346.98	6,099.64	8,648.77	6,380.00	8,892.27	6,431.29	8,979.40	6,541.12
(i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii) Non-operational deposits (all counterparties)	3,745.56	1,498.22	3,781.29	1,512.52	4,101.63	1,640.65	4,063.81	1,625.53
(iii) Unsecured debt	4,601.42	4,601.42	4,867.48	4,867.48	4,790.64	4,790.64	4,915.59	4,915.59
4 Secured wholesale funding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5 Additional requirements, of which	5,891.57	1,542.83	5,486.11	1,531.37	4,374.28	1,068.47	4,962.49	1,734.06
(i) Outflows related to derivative exposures and other collateral requirements	1,089.19	1,089.19	1,121.37	1,121.37	694.32	694.32	1,379.03	1,379.03
(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	4,802.38	453.64	4,364.74	410.00	3,679.96	374.15	3,583.46	355.03
6 Other contractual funding obligations	728.74	728.74	858.51	858.51	844.70	844.70	804.34	804.55
7 Other contingent funding obligations	1,636.50	53.08	1,666.67	53.89	1,687.47	54.97	2,473.68	91.96
8 Total Cash Outflows	10,757.75	11,275.74	11,275.74	10,945.23	10,945.23	11,818.10	11,818.10	11,818.10
Cash Inflows								
9 Secured lending (e.g. reverse repos)	82.38	0.00	7.53	0.00	0.00	0.00	8.02	0.00
10 Inflows from fully performing exposures	1,181.86	839.62	1,116.60	824.28	1,427.49	1,098.26	1,300.92	928.50
11 Other cash inflows	1,393.43	1,161.04	1,577.29	1,270.07	1,106.76	820.78	1,709.18	1,464.44
12 Total Cash Inflows	2,657.67	2,000.66	2,701.42	2,094.35	2,534.25	1,919.04	3,018.12	2,392.94
	Total Adjusted Value	Total Adjusted Value	Total Adjusted Value	Total Adjusted Value	Total Adjusted Value	Total Adjusted Value	Total Adjusted Value	Total Adjusted Value
TOTAL HQLA	10,640.35	10,785.81	10,785.81	11,510.87	11,510.87	11,372.14	11,372.14	11,372.14
Total Net Cash Outflows	8,757.09	9,181.39	9,181.39	9,026.19	9,026.19	9,425.16	9,425.16	9,425.16
Liquidity Coverage Ratio (%)	121.51%	117.47%	117.47%	127.53%	127.53%	120.66%	120.66%	120.66%

In computing the above information, certain estimates/assumptions have been made by the Bank's management which have been relied upon by the auditors.

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

	Q1 FY 2022-23				Q2 FY 2022-23				Q3 FY 2022-23				Q4 FY 2022-23			
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted 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		1,996.23		2,064.47		2,185.91								
(i) Stable Deposits		7,174.40	358.72	7,224.00	361.20	7,363.85	368.19	7,736.57	386.83							
(ii) Less Stable Deposits		15,738.50	1,573.85	16,350.31	1,635.03	16,962.81	1,696.28	17,990.79	1,799.08							
3 Unsecured wholesale funding, of which:		7,559.38	4,708.46		4,572.52		5,065.98		5,581.56							
(i) Operational deposits (all counterparties)		-	-		-		-		-							
(ii) Non-operational deposits (all counterparties)		4,751.54	1,900.62	5,198.04	2,079.22	5,233.17	2,093.27	5,482.75	2,193.70							
(iii) Unsecured debt		2,807.84	2,807.84	2,493.30	2,493.30	2,972.71	2,972.71	3,388.46	3,388.46							
4 Secured wholesale funding			0.00		0.00		0.00		0.00							
5 Additional requirements, of which		5,866.95	2,245.03	7,269.27	3,425.76	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	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							
(iii) Credit and liquidity facilities		4,025.32	403.40	4,262.94	419.43	3,887.95	393.69	4,122.52	393.35							
6 Other contractual funding obligations		667.66	667.66	613.90	613.90	795.55	795.55	652.76	652.76							
7 Other contingent funding obligations		2,067.94	74.90	1,665.46	56.21	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 (eg. reverse repos)		973.62	0.00	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	1,134.31	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	3,054.53	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	4,188.84	4,689.52	4,128.50	4,269.81	3,594.24							
		Total Adjusted Value	Total Adjusted Value	Total Adjusted Value	Total Adjusted Value	Total Adjusted Value	Total Adjusted Value	Total Adjusted Value	Total Adjusted Value							
TOTAL HQLA		9,301.83	9,023.04	9,191.31	10,011.39											
Total Net Cash Outflows		6,463.19	6,475.78	7,145.75	7,702.23											
Liquidity Coverage Ratio (%)		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.

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

(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 and also have foreign currency borrowings from private sector bank.

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.

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.

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

8.3 Net Stable Funding Ratio (NSFR)

(A) Quantitative Disclosures

Financial Year 2023-24

(₹ in crore)

ASF Item	Net Stable Funding Ratio (NSFR)									
	As on June 30, 2023					As on September 30, 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	
1 Capital: (2+3)	4,672.48	-	-	300.00	4,972.48	4,683.21	-	-	300.00	4,983.21
2 Regulatory capital	4,672.48	-	-	300.00	4,972.48	4,683.21	-	-	300.00	4,983.21
3 Other capital instruments	-	-	-	-	-	-	-	-	-	-
4 Retail deposits and deposits from small business customers: (5+6)	9,893.53	3,184.48	3,121.05	12,272.24	27,090.97	10,101.04	3,504.77	3,525.35	12,401.16	28,067.91
5 Stable deposits	3,433.40	658.19	699.93	2,814.73	7,366.67	3,468.41	735.65	769.95	2,827.78	7,553.09
6 Less stable deposits	6,460.13	2,526.29	2,421.12	9,457.51	19,724.30	6,632.63	2,769.12	2,755.40	9,573.38	20,514.82
7 Wholesale funding: (8+9)	1,179.76	7,110.68	5,189.40	5,487.57	9,944.09	1,194.85	8,349.32	5,624.42	5,685.20	10,330.49
8 Operational deposits	-	-	-	-	-	-	-	-	-	-
9 Other wholesale funding	1,179.76	7,110.68	5,189.40	5,487.57	9,944.09	1,194.85	8,349.32	5,624.42	5,685.20	10,330.49
10 Other liabilities: (11+12)	352.17	1,782.32	2,651.14	271.60	199.20	450.46	1,456.01	4,185.30	299.02	226.42
11 NSFR derivative liabilities	-	-	-	1.03	-	-	-	-	0.20	-
12 All other liabilities and equity not included in the above categories	352.17	1,782.32	2,650.11	271.60	199.20	450.46	1,456.01	4,185.10	299.02	226.42
13 Total ASF (1+4+7+10)					42,206.74					43,608.03
RSF Item										
14 Total NSFR high-quality liquid assets (HQLA)					526.29					564.30
15 Deposits held at other financial institutions for operational purposes	279.75	-	-	-	139.88	51.50	-	-	-	25.75
16 Performing loans and securities: (17+18+19+21+23)	-	2,674.93	3,526.84	30,575.77	27,434.46	-	3,236.47	3,211.23	32,669.67	29,272.72
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	-	321.00	114.28	792.58	897.87	-	192.39	84.62	866.93	938.10
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:	-	2,353.93	3,412.56	21,581.74	20,983.32	-	3,044.08	3,126.61	22,818.47	22,227.04
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	1,222.03	794.32	-	-	-	1,270.03	825.52
21 Performing residential mortgages, of which:	-	-	-	7,089.79	4,608.36	-	-	-	7,645.25	4,969.41
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	7,089.79	4,608.36	-	-	-	7,645.25	4,969.41
23 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	1,111.66	944.91	-	-	-	1,339.02	1,138.17
24 Other assets: (sum of rows 25 to 29)	-	138.52	2,545.73	4,821.88	4,939.75	-	138.11	4,033.58	4,620.28	4,737.76
25 Physical traded commodities, including gold	-	-	-	-	-	-	-	-	-	-
26 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	137.68	-	117.03	-	-	137.53	-	116.90
27 NSFR derivative assets	-	-	-	-	-	-	-	-	-	-
28 NSFR derivative liabilities before deduction of variation margin posted	-	-	0.84	-	0.84	-	-	0.58	-	0.58
29 All other assets not included in the above categories	-	-	2,545.73	4,821.88	4,821.88	-	-	4,033.58	4,620.28	4,620.28
30 Off-balance sheet items	-	-	-	5,878.79	264.84	-	-	-	6,029.65	272.16
31 Total RSF (14+15+16+24+30)					33,305.22					34,872.69
32 Net Stable Funding Ratio (%)					126.73%					125.05%

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

(₹ in crore)

ASF Item	Net Stable Funding Ratio (NSFR)									
	As on December 31, 2023					As on March 31, 2024				
	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	
1 Capital: (2+3)	4,630.17	-	-	300.00	4,930.17	5,146.59	-	-	300.00	5,446.59
2 Regulatory capital	4,630.17	-	-	300.00	4,930.17	5,146.59	-	-	300.00	5,446.59
3 Other capital instruments	-	-	-	-	-	-	-	-	-	-
4 Retail deposits and deposits from small business customers: (5+6)	10,916.23	3,476.56	4,245.93	12,073.21	29,102.28	11,376.44	3,806.54	4,266.31	12,241.77	30,013.12
5 Stable deposits	3,483.77	718.20	882.48	2,784.42	7,614.65	3,670.38	785.56	884.04	2,826.24	7,899.22
6 Less stable deposits	7,432.46	2,758.36	3,363.45	9,288.79	21,487.63	7,706.06	3,020.98	3,382.27	9,415.53	22,113.90
7 Wholesale funding: (8+9)	1,428.43	8,145.07	6,429.92	5,476.63	10,354.29	1,476.28	8,681.57	7,373.47	6,050.14	11,384.55
8 Operational deposits	-	-	-	-	-	-	-	-	-	-
9 Other wholesale funding	1,428.43	8,145.07	6,429.92	5,476.63	10,354.29	1,476.28	8,681.57	7,373.47	6,050.14	11,384.55
10 Other liabilities: (11+12)	580.83	1,630.41	3,406.91	286.19	213.98	222.91	1,574.32	7,009.71	300.64	226.66
11 NSFR derivative liabilities	-	-	-	4.92	-	-	-	-	3.93	-
12 All other liabilities and equity not included in the above categories	580.83	1,630.41	3,401.99	286.19	213.98	222.91	1,574.32	7,005.78	300.64	226.66
13 Total ASF (1+4+7+10)					44,600.72					47,070.92
RSF Item										
14 Total NSFR high-quality liquid assets (HQLA)					593.98					612.26
15 Deposits held at other financial institutions for operational purposes	46.38	-	-	-	23.19	79.10	-	-	-	39.55
16 Performing loans and securities: (17+18+19+21+23)	-	4,148.90	3,505.92	33,591.78	30,666.29	-	3,722.35	3,499.29	36,174.70	32,817.63
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	-	449.29	111.32	1,323.82	1,446.87	-	300.99	172.38	1,668.78	1,800.12
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:	-	3,699.61	3,394.60	23,392.69	23,183.08	-	3,421.36	3,326.91	25,046.73	24,565.03
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	1,239.03	805.37	-	-	-	494.10	321.16
21 Performing residential mortgages, of which:	-	-	-	7,538.19	4,899.83	-	-	-	7,939.14	5,160.44
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	7,538.19	4,899.83	-	-	-	7,939.14	5,160.44
23 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	1,337.08	1,136.51	-	-	-	1,520.05	1,292.04
24 Other assets: (sum of rows 25 to 29)	-	138.11	3,188.47	4,401.06	4,518.54	-	138.24	6,777.33	4,317.67	4,435.28
25 Physical traded commodities, including gold	-	-	-	-	-	-	-	-	-	-
26 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	137.53	-	116.90	-	-	137.53	-	116.90
27 NSFR derivative assets	-	-	-	-	-	-	-	-	-	-
28 NSFR derivative liabilities before deduction of variation margin posted	-	-	0.58	-	0.58	-	-	0.71	-	0.71
29 All other assets not included in the above categories	-	-	3,188.47	4,401.06	4,401.06	-	-	6,777.33	4,317.67	4,317.67
30 Off-balance sheet items	-	-	-	6,053.85	272.29	-	-	-	5,827.51	259.56
31 Total RSF (14+15+16+24+30)					36,074.29					38,164.28
32 Net Stable Funding Ratio (%)					123.64%					123.34%

In computing the above information, certain estimates/assumptions have been made by the Bank's management which have been relied upon by the auditors.

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

Financial Year 2022-23

(₹ in crore)

ASF Item	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	
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	-	-	-	-	-	-	-	0.56	-	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%

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

(₹ in crore)

	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	-	-	-	-	-	-	-	-	-	-
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%

In computing the above information, certain estimates/assumptions have been made by the Bank's management which have been relied upon by the auditors.

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

(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, 2024	March 31, 2023
Total deposits of twenty largest depositors	3,241.50	2,869.83
Percentage of deposits of twenty largest depositors to total deposits of the Bank	6.57%	6.96%

9.2 Concentration of Advances

(₹ in crore)

Particulars	March 31, 2024	March 31, 2023
Total advances to twenty largest borrowers	1,978.92	1,679.22
Percentage of Advances to twenty largest borrowers to total advances of the bank	4.33%	4.29%

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, 2024	March 31, 2023
Total Exposures to twenty largest borrowers / customers	2,573.90	2,579.80
Percentage of Exposures to twenty largest borrowers / Customers to Total Exposures of the bank on borrowers / Customers	5.19%	6.17%

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.

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

9.4 Concentration of NPAs

(₹ in crore)

Particulars	March 31, 2024	March 31, 2023
Total Exposure to top twenty NPA accounts	244.47	262.03
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	18.06%	23.34%

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, 2024 and March 31, 2023

Name of the SPV sponsored	
Domestic	Overseas
NIL	NIL

10 EXPOSURES

10.1 Exposure to the Real Estate Sector

(₹ in crore)

Category	March 31, 2024	March 31, 2023
a) Direct Exposure		
(i) Residential Mortgages(*) 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 - ₹ 4,451.23 crore (Previous year: ₹ 3,749.56 crore)	11,241.85	8,760.33
(ii) Commercial Real Estate 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.)	2,777.83	2,558.40
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -		
(a) Residential	89.65	36.05
(b) Commercial Real Estate	-	-
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	667.32	726.89
Total Exposure to the Real Estate Sector	14,776.65	12,081.67

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

10.2 Exposure to the Capital Market

(₹ in crore)

Particulars	March 31, 2024	March 31, 2023
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;	35.63	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;	0.98	0.60
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;	222.75	189.89
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	259.36	219.09

10.3 Risk category-wise country exposure

(₹ in crore)

Risk Category	Exposure (net) as at March 31, 2024	Provision held as at March 31, 2024	Exposure (net) as at March 31, 2023	Provision held as at March 31, 2023
Insignificant	242.83	-	156.31	-
Low	1.19	-	208.73	-
Moderate Low	0.71	-	-	-
Moderate	0.26	-	-	-
Moderate High	0.37	-	0.88	-
High	-	-	-	-
Very High	-	-	-	-
Total	245.36	-	365.92	-

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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, 2024 and March 31, 2023, 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, 2024	March 31, 2023
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, 2024	March 31, 2023
Total unsecured gross advances of the Bank	2,391.19	1,978.48
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 ₹ 251.03 crore as at March 31, 2024 (Previous year: ₹ 681.13 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

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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 ₹ 50 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, 2024	March 31, 2023
Provisioning Requirement for UFCE	2.75	2.75
Risk weight on account of UFCE	8.53	15.20
Capital Requirement at 9%	0.77	1.37

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 ₹ 24.35 crore for the year ended March 31, 2024 (Previous year ₹ 20.97 crore).

During the year, the Bank has contributed ₹ 1.26 crore (previous year ₹ 1.17 crore) 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, 2024	March 31, 2023
Balance Sheet - Details of provision for Gratuity		
Defined benefit obligation	33.59	30.61
Fair value of plan Assets	33.10	29.34
Net Assets/(Liabilities)	(0.49)	(1.27)
Amounts in Balance Sheet		
Assets (included in Schedule 11 - Other Assets)	-	-
Liabilities (included in Schedule 5 - Other Liabilities and Provisions)	0.49	1.27
Change in Defined Benefit Obligations		
Obligations at the beginning of the year	30.61	28.26
Interest Cost	2.05	1.53
Current Service Cost	3.68	2.82
Past Service Cost	-	-
Benefits paid	(4.90)	(4.57)

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

Particulars	(₹ in crore)	
	March 31, 2024	March 31, 2023
Actuarial (gain)/loss on Obligation	2.15	2.57
Present value of obligation at the end of the year	33.59	30.61
Change in the Fair value of Plan Assets		
Fair value of plan assets at the beginning of the year	29.34	27.71
Expected Return on plan assets	2.19	1.64
Contributions	6.25	4.75
Benefits paid	(4.90)	(4.57)
Actuarial gain/(Loss) on plan assets	0.22	(0.19)
Fair value of plan assets at the end of the year	33.10	29.34
Cost for the year		
Current service cost	3.68	2.82
Interest cost	2.05	1.53
Expected return on plan assets	(2.19)	(1.64)
Net Actuarial (gain)/loss recognised in the year	1.94	2.76
Past service cost	-	-
Expense recognised in "Payments to and Provision for Employees" [Refer Schedule-16 (I)]	5.48	5.47
Actual return on plan assets	2.41	1.45
Experience Adjustments		
On obligation	2.03	3.28
On plan assets	0.22	(0.19)
Assumptions		
Discount rate	7.14% p.a.	7.30% p.a.
Expected return on plan assets	7.30% 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, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020
Plan assets	33.10	29.34	27.71	26.17	22.91
Defined benefit obligation	33.59	30.61	28.26	27.07	24.25
Surplus / (Deficit)	(0.49)	(1.27)	(0.55)	(0.90)	(1.34)
Experience adjustment gain/ (loss) on plan assets	0.22	(0.19)	(0.53)	0.89	0.32
Experience adjustment (gain) /loss on plan liabilities	2.03	3.28	1.10	0.15	1.67

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

All the plan assets are invested by the gratuity trust namely “DCB Bank Limited Staff Gratuity Fund” in Government securities (CY about 54%, PY about 53%), high rated corporate bonds (CY about 34%, PY about 32%), units of mutual funds/ insurance companies (CY about 5%, PY about 7%) and others (CY about 7%, PY about 8%) 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 ₹ 2.24 crore (Previous year: ₹ 3.64 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, 2024	March 31, 2023
Basic		
Net Profit (₹ in crore)	535.97	465.56
Weighted average number of equity shares outstanding	311,997,376	311,156,253
Basic Earnings per share (₹)	17.18	14.96
Diluted		
Net Profit (₹ in crore)	535.97	465.56
Weighted average number of equity shares outstanding	315,418,986	314,679,498
Diluted Earnings per share (₹)	16.99	14.79
Face value per share (₹)	10.00	10.00

Dilution of equity is on account of 3,421,610 (Previous year 3,523,245) 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.

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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, 2024		March 31, 2023	
	Number of options	Weighted Average Exercise Price	Number of options	Weighted Average Exercise Price
Options outstanding at the beginning of the year	7,920,484	68.10	8,651,614	67.43
Granted during the year	-	-	-	-
Exercised during the year	1,302,756	57.22	525,270	54.53
Forfeited/Lapsed during the year	194,319	83.77	205,860	74.61
Options outstanding at the end of the year*	6,423,409	69.84	7,920,484	68.10
Options exercisable	5,732,441	69.12	6,431,595	66.04

*Includes 47,800 (Previous year: NIL) 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, 2024 is ₹ 128.17 (Previous year ₹ 109.77).

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

Summary of stock options outstanding as on March 31, 2024 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	-	-	-
₹ 25.00 - ₹ 109.00	5,928,409	65.58	4.87
₹ 110.00 - ₹ 200.00	495,000	120.81	4.57

There were 1,302,756 stock options exercised during the year ended March 31, 2024.

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.

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 ₹ 0.70 crore during the financial year 2023-24 (Previous year ₹ 1.88 crore).

There were no options granted during the years ended March 31, 2024 and March 31, 2023.

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, 2024	March 31, 2023
Net Profit (as reported)	535.97	465.56
Add: Stock based compensation expense accounted	(0.00)	(0.01)
	535.97	465.55
Less: Stock based compensation expense determined under fair value based method (proforma)	0.27	0.67
Net Profit (proforma)	535.70	464.88

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

Particular	March 31, 2024	March 31, 2023
Basic earnings per share (as reported)	17.18	14.96
Basic earnings per share (proforma)	17.17	14.94
Diluted earnings per share (as reported)	16.99	14.79
Diluted earnings per share (proforma)	16.98	14.77

11.4 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 had 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 CSARGRANT2022-2
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

The Board has approved a CSAR grant of 929,668 units on June 02, 2023 (Previous year: 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

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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'.

Activity in units outstanding under CSARs

Particulars	March 31, 2024	March 31, 2023
Units outstanding at the beginning of the year	1,170,786	-
Units Granted during the year	929,668	1,170,786
Units Exercised during the year	386,357	-
Units Forfeited/Lapsed during the year	-	-
Units outstanding at the end of the year	1,714,097	1,170,786

Fair value Methodology

There were 929,668 units (Previous year: 1,170,786 units) granted during the year ended March 31, 2024. The Bank has recognised ₹ 3.30 crore (Previous year ₹ 1.11 crore) during the financial year 2023-24.

The various assumptions considered in the pricing model for CSARs units granted during the year ended March 31, 2024 and March 31, 2023 were:

Particular	March 31, 2024	March 31, 2023
Dividend Yield	0.84%	1.03%
Expected Volatility	37.29% to 43.22%	35.05% to 42.97%
Risk Free Interest Rate	6.73% to 6.78%	6.76% to 7.24%
Expected life of units	2.50 to 4.50 years	1.50 to 3.50 years

The weighted average fair value of CSARs units granted during the year ended March 31, 2024 was ₹ 42.73 (Previous year ₹ 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.

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

11.5 Segment Information

Part A: Business Segments

(₹ in crore)

Business Segments	Treasury Operations		Corporate / Wholesale Banking		Retail Banking		Other Banking Operations		Total	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Revenue	1,440.78	1,037.81	508.00	417.03	4,790.17	3,880.36	106.84	57.87	6,845.79	5,393.07
Unallocated Revenue									4.48	2.39
Total Revenue¹									6,850.27	5,395.46
Result	98.12	69.53	34.71	21.02	501.58	493.31	103.65	57.19	738.06	641.05
Unallocated Result									(16.10)	(13.49)
Total									721.96	627.56
Unallocated expenses									-	-
Operating profit									864.44	786.73
Income taxes									(185.99)	(162.00)
Extraordinary profit / loss	-	-	-	-	-	-	-	-	-	-
Net profit									535.97	465.56
Other Information										
Segment assets	20,257.33	16,173.79	4,863.67	4,108.73	37,463.82	31,625.35	-	-	62,584.82	51,907.87
Unallocated assets									452.15	458.00
Total assets									63,036.97	52,365.87
Segment liabilities	11,141.93	8,374.71	4,401.44	3,893.11	42,421.26	35,529.21	1.07	0.01	57,965.70	47,797.04
Unallocated liabilities ²									5,071.27	4,568.83
Total liabilities									63,036.97	52,365.87
Capital Expenditure	3.82	0.19	1.05	1.76	98.53	161.06	-	-	103.40	163.01
Unallocable									51.66	12.73
Total Capital Expenditure									155.06	175.74
Depreciation	1.43	1.25	0.87	0.83	89.60	73.08	-	-	91.90	75.16
Unallocable									2.54	1.86
Total Depreciation									94.44	77.01
Non Cash Expenses ³	7.88	(4.79)	24.65	41.65	113.64	123.96	-	-	146.17	160.82
Unallocable									18.06	15.16
Total Non Cash Expenses									164.23	175.98

- Revenue i.e. Total Revenue includes inter-segment revenue of ₹ 1,013.99 crore in FY 2023-24 (Previous year ₹ 785.80 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 ₹ 5,836.28 crore in FY 2023-24 (Previous year: ₹ 4,609.66 crore).
- Includes Capital and Reserves.
- Excluding depreciation and provision for taxes.
- 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.

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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:

Key Management Personnel

Name of Key Management Personnel	Relative of the Key Management Personnel	Description of Relationships
Mr. Murali M. Natrajan: Managing Director & CEO	Mrs. Sujata Murali	Spouse
	Mr. Vidur Murali	Son
	Mr. Varun Murali	Son
	Mr. Prasad Mamundi Natarajan	Brother
	Ms. Prabha Shankar	Sister
	Ms. Hema Ranganathan	Sister

The details of managerial remuneration of the Key Management Personnel of the Bank are as under:

(₹ in crore)

Particulars	March 31, 2024	March 31, 2023
Mr. Murali M. Natrajan:	5.25	4.42
Managerial Remuneration		

RBI has approved variable pay of ₹ 10,000,000 for FY 2022-23 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.

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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, 2024	As at March 31, 2023
A.	DTA :		
(i)	Provision for Loan Losses (minus deduction u/s 36(1)(viia) of the Income Tax Act, 1961)	208.59	219.07*
(ii)	Others	0.12	0.32
	Total DTA [A]	208.71	219.39
B.	DTL :		
(i)	Depreciation	17.48	15.61
(ii)	Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961	52.76	43.79*
(iii)	Others	-	-
	Total DTL [B]	70.24	59.40
C.	NET DTA [A - B]	138.47	159.99*

*Adjustment made for earlier period deferred tax assets and liabilities.

11.8 Assets Taken Under Operating Leases

		(₹ in crore)	
Particulars		March 31, 2024	March 31, 2023
Minimum Lease Rent payable			
	Payable not later than 1 year	72.83	68.02
	Payable later than 1 year but not later than 5 years	278.74	249.49
	Payable later than 5 years	589.69	504.85
	Total	941.26	822.36
	The total of lease payments recognised in the Profit and Loss Account for the year	83.97	70.99

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 2023-24 an amount of ₹ 6.86 crore (Previous year: ₹ 6.51 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".

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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 ₹ 33.02 crore (Previous year: ₹ 34.79 crore) is outstanding as at March 31, 2024, 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 ₹ 6,717.33 crore (Previous year: ₹ 3,441.63 crore) is outstanding as at March 31, 2024. 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 ₹ 1,590.93 crore (Previous year: ₹ 1,430.59 crore) is outstanding as at March 31, 2024. 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 ₹ 955.70 crore (Previous year: ₹ 190.76 crore) is outstanding as at March 31, 2024. 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.

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

12 Additional Disclosures

12.1 Details of “Provisions & Contingencies” debited to the Profit and Loss Account

(₹ in 000's)

Particulars	March 31, 2024	March 31, 2023
Provision for Income Tax		
- Current	1,644,689	1,522,145
- Deferred (Refer note 11.7)	215,161	97,845
Provision/write-off towards non-performing assets	2,050,381	1,626,671
Floating Provision	180,580	151,579
Provision for Standard Assets*	(775,929)	(474,327)
Sacrifice in One Time Settlement	53,995	217,715
Provision towards non-performing investments	19,664	-
Provision for Other Assets and Contingencies	114	121,107
Provisions for Restructured Advances	(103,953)	(50,987)
Total	3,284,702	3,211,748

* 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 DEA Fund are set out below:

(₹ in crore)

Particulars	March 31, 2024	March 31, 2023
Opening balance of amounts transferred to DEA Fund	70.38	61.63
Add : Amounts transferred to DEA Fund during the year	8.74	11.53
Less : Amounts reimbursed by DEA Fund towards claims	1.74	2.78
Closing balance of amounts transferred to DEA Fund*	77.38	70.38

*closing balance of the amount transferred to DEA Fund, as disclosed above, are also included under 'Schedule 12 - Contingent Liabilities - Other items for which the bank is contingently liable'.

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

12.3 Customer Complaints+

a) Summary information on complaints received by the bank from customers and from the Offices of Ombudsman

Sr. No	Particulars	March 31, 2024	March 31, 2023
Complaints received by the bank from its customers			
1.	Number of complaints pending at beginning of the year	443	575
2.	Number of complaints received during the year	23,684	29,797
3.	Number of complaints disposed during the year	23,384	29,929
3.1	Of which, number of complaints rejected by the bank	1,558	736
4.	Number of complaints pending at the end of the year	743	443
Maintainable complaints received by the bank from Office of Ombudsman			
5.	Number of maintainable complaints received by the bank from Office of Ombudsman	583	452
5.1	Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman	583	452
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	23	24
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 2023-24

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	210	10,007	-9%	316	17
(a) Rate of Interest/ EMI/ Payment Disputes					
(b) Document not received					
(c) Others					
ATM/Debit Cards	87	5,786	-14%	274	35
(a) Card not working					
(b) Cash not dispensed at other ATMs					
(c) Others					

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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	42	3,276	-22%	89	4
(a) Payment gateway transaction disputes					
(b) Internet Banking login/ password issues					
(c) Others					
Account opening/difficulty in operation of accounts	33	1,628	-61%	19	3
(a) Transactions submitted at branches					
(b) Instruction updates					
(c) Others					
Para-banking	30	864	-13%	8	2
(a) Policy documents not received (Loans related)					
(b) Policy Cancellation (Health/ Life Insurance)					
(c) Others					
Mis-selling	19	431	19%	16	0
(a) Information related wrt gold loan					
(b) Information related wrt Mortgage Loan					
(c) Others					
Others	22	1,692	-27%	21	1
(a) SMS/Email alerts sent but not received					
(b) Charges related disputes					
Total	443	23,684	-21%	743	62

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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					
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					
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/Email alerts sent but not received					
(b) Charges related disputes					
Total	575	29,797	-9%	443	36

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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 21%). 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, 2024 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, 2024	As at March 31, 2023
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	2,425.00	3,651.00
(iv) PSLC - General	1,000.00	500.00
Total	3,425.00	4,151.00

12.7 Income from Bancassurance Business

(₹ in crore)

Sr. No.	Nature of Income	March 31, 2024	March 31, 2023
1.	For selling life insurance policies	68.66	41.06
2.	For selling non-life insurance policies	40.50	11.37
3.	For selling mutual fund products	0.83	0.80
	Total	109.99	53.24

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

12.8 Income from Marketing and distribution

The Bank has received fees of ₹ 18.96 crores (Previous year: ₹ 47.54 crore) with respect to marketing and distribution function (excluding bancassurance business) during the financial year 2023-24.

12.9 Implementation of IFRS converged Indian Accounting Standards (Ind AS)

The Ministry of Corporate Affairs (MCA), Government of India 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, RBI 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, RBI further announced deferment of the implementation of Ind AS by banks till further notice.

The Bank has formed Steering Committee for Ind AS implementation. The Steering Committee is headed by the Chief Financial officer (CFO) comprises representatives from Finance, Risk, Credit, Information Technology and Treasury. The Committee closely reviews progress of Ind AS implementation in the Bank and provides guidance on critical aspects of the implementation. In the interim, bank continues to prepare proforma Ind AS financial statements on half yearly basis and the bank has submitted the same to RBI.

12.10 Payment of DICGC Insurance Premium

(₹ in crore)

Sr. No.	Particulars	March 31, 2024	March 31, 2023
1.	Payment of DICGC Insurance Premium	47.49*	39.17*
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, 2024, RBI had imposed penalty of ₹ 0.003 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 2023-24.

During the year ended March 31, 2024, RBI had imposed a penalty of ₹ 0.002 crore on the Bank due to the failure in Customer Service (failure in providing exchange facility for the soiled notes & mutilated notes).

During the year ended March 31, 2024, RBI had imposed penalty of ₹ 0.636 crore on the Bank, for failing to reset interest rates in MCLR-linked loans and benchmarking retail and MSME advances to MCLR instead of EBLR.

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.

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

13.2 Corporate Social Responsibility (CSR)

The Bank was required to spend ₹ 9.77 crore (Previous year: ₹ 8.80 crore) during the financial year 2023-24 towards Corporate Social Responsibility (CSR), in accordance with Companies Act, 2013.

The Bank has spent an amount of ₹ 9.97 crore (Previous year: ₹ 8.85 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 2023-24 towards CSR are as under:

Particulars	(₹ in crore)		
	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:	9.97	-	9.97

The details of amount spent during FY 2022-23 towards CSR are as under:

Particulars	(₹ in crore)		
	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

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.
- To evaluate/approve/review key Human Resource ('HR') Policies of the Bank and Rewards Approach annually as applicable. HR policies to include all such policies which have any applicable impact from a

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

regulatory and statutory perspective, such as compensation policy, whistle blower policy, job rotation policy, matters related to retirement age beyond 60 years, fixed pay bands and sanctioned strength for the Bank, and any other matter referred by the Board or recommended by the People Forum.

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.

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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

Sr. No.	Particulars	₹ in crore)	
		As at March 31, 2024	As at March 31, 2023
(a)	Number of meetings held by the Nomination and Remuneration Committee during the financial year	9	7
(b)	Remuneration paid to the members of the Nomination and Remuneration Committee	0.20	0.13
(c)	Number of employees having received a variable remuneration award during the financial year (as per compensation policy)	8*	8*
(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 3.61 Share linked instruments 5.54** (fair value of 1,541,156 units)	Cash 3.11 Share linked instruments 3.15** (fair value of 1,104,776 units)
(h)	Total amount of deferred remuneration paid out in the financial year	Cash 1.21 Share linked instruments 0.78 (appreciation value of 364,574 units)	0.94

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

		(₹ in crore)	
Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
(i)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred#	Fixed 15.94#	Fixed 14.59#
		Variable 6.84*	Variable 7.18*
		-Deferred	-Deferred
		Cash 1.71	Cash 2.015
		Share linked instruments	Share linked instruments
		3.42**	3.15**
		-Non Deferred	-Non Deferred
		1.71	2.015
		CSAR grant of 800,954 units	CSAR grant of 1,104,776 units
(j)	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and / or implicit adjustment	12.06	9.56
(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)	0.065	0.064
(r)	The deviation of the pay of each of its WTDs from the mean pay.	5.19	4.36

* Pertains to FY 2022-23 paid in FY 2023-24 (Previous year: pertains to FY 2021-22 paid in FY 2022-23)

** Fair value computed using Black-Scholes options pricing model as on the grant date.

One MRT separated on February 07, 2024 (Previous year: 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 ₹ 10,000,000 for Managing Director & CEO for FY 22-23 paid in accordance to RBI guidelines and Compensation policy of the Bank.

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 ₹ 1.99 crore (Previous year: ₹ 1.40 crore) was paid as sitting fees to the Non-Executive Directors during the year.

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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, 2024 subject to approval of the shareholders in the ensuing Annual General Meeting.

Dividend paid during the year, represents dividend (₹ 1.25 per equity share) for the year ended March 31, 2023 paid pursuant to approval of shareholders at Annual General Meeting held on June 22, 2023.

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.
- 14** Net overnight open position outstanding as on March 31, 2024 was ₹ 5.37 crore (Previous year: ₹ 3.15 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, 2024.
- 17** Previous year's figures have been regrouped / reclassified, wherever considered necessary, in order to make them comparable with figures for the current year.

SCHEDULES AND NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

18 These are the notes appended to and forming part of the financial statements for the year ended March 31, 2024.

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

Ravi Kumar

Chief Financial Officer

Rubi Chaturvedi

Company Secretary

As per our report of even date.

For B S R & Co. LLP

Chartered Accountants
Firm Registration Number: 101248W/W-100022

Ashwin Suvarna

Partner
Membership No. : 109503

Place : Mumbai
Date : April 24, 2024

For SUNDARAM & SRINIVASAN

Chartered Accountants
Firm Registration Number: 004207S

S Ramkumar

Partner
Membership No. : 238820

Place : Mumbai
Date : April 24, 2024

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, 2024, 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 Capitals

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, 2024 the Bank has issued subscribed and paid-up capital of ₹ 3.13 billion, constituting 312,804,489 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, 2024 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, 2024
28 March 2023	9.35%	120	3,000.0

Composition of Capital - Tier I and Tier II

(₹ million)

Particulars	As on March 31, 2024
1. Tier I capital	
1.1 Paid-up share capital	3,128.0
1.2 Reserves	44,604.2
1.3 Gross Tier I capital (1.1 + 1.2)	47,732.2
1.4 Deductions	16.4
1.5 Total Tier I capital (1.3 - 1.4)	47,715.8
2. Tier II capital	
2.1 Subordinated Debt (Lower Tier II bonds)	3,000.0
2.2 General Provisions	3,750.1
2.3 Gross Tier II capital (2.1 + 2.2)	6,750.1
2.4 Deductions	-
2.5 Total Tier II capital (2.3 - 2.4)	6,750.1

(₹ million)

Particulars	As on March 31, 2024
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	-
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	-
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)	54,465.9

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 Capital to Risk weighted Assets Ratio (CRAR) as per Basel III guidelines works to 16.59% as on March 31, 2024 (as against minimum regulatory requirement of 11.50%). The Tier I CRAR stands at 14.53% 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, 2024
1. Capital requirement for Credit Risk	25,656.9
• Portfolio subject to Standardised Approach	24,319.7
• Securitization Exposures	1,337.2
2. Capital requirement for Market Risk	688.0
• Standardised Duration Approach	
o Interest Rate Risk	423.7
o Foreign Exchange Risk (Including gold)	148.5
o Equity Risk	115.8
3. Capital requirement for Operational Risk	2,772.9
• Basic Indicator Approach	2,772.9
Total capital requirements (1 + 2 + 3)	29,117.8
Total capital	54,465.9
CRAR %	16.59 %
Tier-I CRAR %	14.53 %

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,

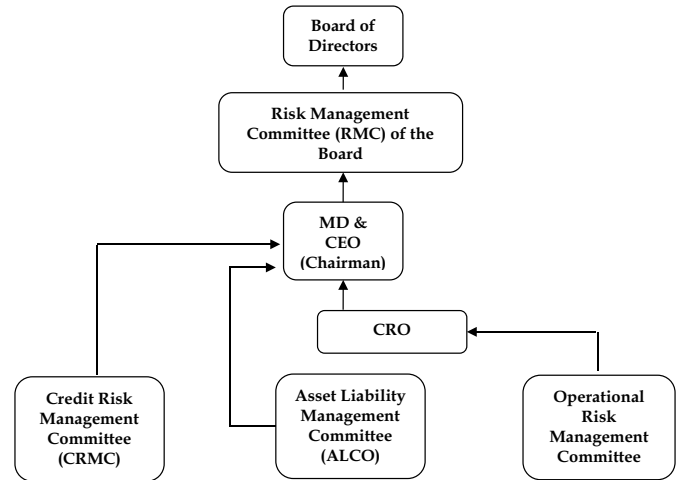
as well as adherence to prescribed tolerance limits, etc. The RMC oversees the functioning of Executive Level Committees for risk management. For this purpose, the minutes of the meetings of the Executive Level Committees are placed before RMC regularly. Matters relating to Credit risk are routed through 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 and ALM, 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 April 1, 2023).

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, 2024:

(₹ million)

Category	Exposure
Fund based ¹	4,44,911.6
Non fund based ²	12,240.2
Total	4,57,151.9

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 31,2024:

(₹ million)

Category	Domestic	Overseas
Fund based	4,44,911.6	-
Non fund based	12,240.2	-
Total	4,57,151.9	-

5 (d) Industry type distribution of exposures as on March 31, 2024:

(₹ million)

Industry	Fund Based	Non Fund Based	Total	%
Retail Loans	1,67,267.3	165.4	1,67,432.8	36.63%
Housing Loans	1,13,464.7	-	1,13,464.7	24.82%
Auto Loans	34.6	-	34.6	0.01%
Personal Loan	132.6	-	132.6	0.03%
Other Loans (Gold Loans, Loans against deposits & Shares etc.)	51,798.0	165.4	51,963.4	11.37%
Staff Loans	1,837.5	-	1,837.5	0.40%
Trade	84,048.1	490.0	84,538.1	18.49%
Trade - Retail	67,727.5	72.4	67,799.9	14.83%
Trade - Wholesale	16,320.6	417.6	16,738.1	3.66%
Agriculture	56,630.6	146.2	56,776.8	12.42%
NBFC	38,641.0	118.2	38,759.2	8.48%
NBFC - HFC	6,653.2	20.0	6,673.2	1.46%
NBFC - Investment and Credit Company (AFC)	6,255.2	-	6,255.2	1.37%
NBFC - Others	25,732.6	98.2	25,830.8	5.65%
Miscellaneous Services	34,785.3	215.3	35,000.6	7.66%
of which Retail Business Loans	22,429.1	-	22,429.1	4.91%
Construction incl. Residential Housing	24,889.3	2,526.2	27,415.5	6.00%
Residential Constructions	20,932.6	12.8	20,945.4	4.58%

5 (e) Residual contractual maturity breakdown of assets as on March 31, 2024

(₹ million)

Assets	Next Day	2-7 Days	8-14 Days	15-30 days	31days 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	1,856.8	-	-	-	-	-	-	-	-	-	-	1,856.8
Balance with RBI	2,845.0	4,141.5	529.4	625.7	482.8	1,028.1	1,702.8	3,556.5	11,095.2	536.0	269.6	26,812.6
Balances with Other Banks	741.6	1,198.5	-	-	0.3	-	-	21	471	-	-	1,989.6
Investments	43,277.6	997.6	-	1,846.7	16,620.3	-	-	32,788.5	61,769.0	3,246.8	1,562.0	1,62,108.5
Advances	1,045.5	5,108.2	3,981.8	9,539.9	9,904.1	8,822.6	24,868.6	28,541.9	1,20,757.0	40,721.3	1,55,954.8	4,09,245.7
Fixed Assets	-	-	-	-	-	-	-	-	-	-	8,648.8	8,648.8
Other Assets	233.1	91.2	175.8	933.6	959.7	918.7	694.6	1,238.0	6,657.7	2,003.1	5,802.4	19,707.9
Total	49,999.6	11,537.0	4,687.0	12,945.9	27,967.2	10,769.4	27,266.0	66,127.0	2,00,326.0	46,507.2	1,72,237.6	6,30,369.9

Industry	Fund Based	Non Fund Based	Total	%
Construction Contractors	2,401.9	799.5	3,201.4	0.70%
Construction Others	1,554.9	1,713.8	3,268.7	0.72%
Logistics	7,340.0	546.9	7,886.9	1.73%
Logistics - Transport Operators (includes CV loans)	6,811.9	23.3	6,835.2	1.50%
Logistics - Others	528.1	523.7	1,051.7	0.23%
Infrastructure (Including Energy, Telecommunications, Water & Sanitation and Social & Commercial Infra)	4,969.9	632.4	5,602.3	1.23%
Textiles	5,400.6	62.0	5,462.6	1.19%
All Engineering	3,054.7	1,066.9	4,121.6	0.90%
Food Processing	2,892.9	377.5	3,270.3	0.72%
Basic Metal & Metal Products	2,006.0	1,213.6	3,219.5	0.70%
Gems & Jewellery	2,038.8	637.0	2,675.8	0.59%
Real Estate Activities incl. Lease Rent Discounting	2,355.9	-	2,355.9	0.52%
Travels & Tourism	1,546.9	84.0	1,630.9	0.36%
Chemical & Chemical Products	1,249.0	73.5	1,322.5	0.29%
Capital Market (including Brokers)	1.3	1,056.9	1,058.3	0.23%
Wood & Wood Products	843.3	-	843.3	0.18%
Paper & Paper Products	798.5	22.0	820.6	0.18%
IT & related	590.5	103.4	694.0	0.15%
Cement & Cement Products	689.0	0.5	689.5	0.15%
Other Manufacturing	524.2	18.3	542.4	0.12%
Renting of equipments	533.6	4.7	538.3	0.12%
Rubber, Plastic & their Products	458.5	36.2	494.7	0.11%
Mining & Quarrying	454.5	0.0	454.5	0.10%
Petroleum, Coal Products & Nuclear fuels	103.7	348.8	452.6	0.10%
Vehicles, Vehicle Parts & Transport Equipments	288.3	0.1	288.4	0.06%
Finance (Others)	72.9	208.8	281.6	0.06%
Leather & Leather Products	120.2	4.6	124.8	0.03%
Glass & Glassware	49.9	-	49.9	0.01%
Beverages (Excl. Tea & Coffee) and Tobacco	20.2	-	20.2	0.00%
Residual	246.9	2,080.6	2,327.6	0.51%
Grand Total	4,44,911.6	12,240.2	4,57,151.9	100.00%

5 (f) Advances and Provisions:

Particulars	(₹ million)
	As on March 31, 2024
(a) Amount of NPAs (Gross)	13,534.7
i. Substandard	5,661.9
ii. Doubtful 1	3,470.3
iii. Doubtful 2	3,560.0
iv. Doubtful 3	767.4
v. Loss	75.1
(b) Net NPAs	4,543.3
(c) NPA Ratios	
i. Gross NPAs to gross advances (%)	3.23 %
ii. Net NPAs to Net Advances (%)	1.11 %
(d) Movement of NPAs (Gross)	
i. Opening balance (as on March 31, 2023)	11,228.4
ii. Additions during the year	14,883.9
iii. Reductions during the year	12,577.6
iv. Closing balance	13,534.7
(e) Movement of provisions for NPAs (excluding provision on Standard Assets)	
i. Opening balance (as on March 31, 2023)	7,659.2
ii. Provision made during the year	5,046.2
iii. Write-off / write-back of excess provisions	3,714.0
iv. Closing balance	8,991.4
(f) Amount of Non-Performing Investments	19.7
(g) Amount of provisions held for non-performing investments	19.7

(₹ million)

Particulars	As on March 31, 2024
(h) Movement of depreciation on investments	
i. Opening balance (as on March 31, 2023)	172.1
ii. Add: Provision made during the year	138.6
iii. Less: Write-off/ write-back of excess provision during the year (including depreciation utilised on the sale of securities)	74.4
iv. Closing balance	236.3

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, 2024 are as follows:

(₹ million)

Particulars	Fund based	Non fund based
Below 100% risk weight	3,81,582.4	3,013.6
100% risk weight	42,458.1	6,535.7
More than 100% risk weight	20,871.1	2,690.9
Total	4,44,911.6	12,240.2

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:

- i. 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.
- ii. 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.
- iii. Principal-only ratings will not be allowed within the CRM framework. The rating should cover principal and interest.

The 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: -

- i. 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.
- ii. 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.

- iii. Securities issued by Central and State Governments
- iv. Kisan Vikas Patra and National Savings Certificates provided no lock-in period is operational and if they can be encashed within the holding period.
- v. Life insurance policies with a declared surrender value of an insurance company which is regulated by an insurance sector regulator.
- vi. 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:
 - a) 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, 2024
Total exposure covered by eligible financial collateral after application of applicable haircuts	67,089.4
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 2023-24, the Bank has made investments in securitized assets by way of Pass Through Certificates, aggregating to ₹ 39,129.2 million, the outstanding of this as on March 31, 2024 was ₹ 28,286.5 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, 2024.

(₹ million)

Financial Year	Original Investment	Outstanding at March 31, 2024
2019-20	941.0	19.2
2020-21	1,547.2	436.0
2021-22	2,978.1	629.9
2022-23	23,507.4	7,562.4
2023-24	39,129.2	28,286.5
Total	68,103.0	36,934.1

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, 2024
• Interest Rate Risk	423.7
• Foreign Exchange Risk (Including gold)	148.5
• Equity Risk	115.8
Capital requirement for Market Risk	688.0

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, 2024 is ₹ 2,772.9 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	(637.5)	(318.7)	318.7	637.5
USD	(3.3)	(1.6)	1.6	3.3
JPY	0.0	0.0	0.0	0.0
GBP	0.2	0.1	(0.1)	(0.2)
EUR	0.1	0.1	(0.1)	(0.1)
Total	(640.5)	(320.1)	320.1	640.5

ii) Impact on economic value of equity:

(₹ million)

Currency	Changes in interest rates (in bps)			
	(100)	(50)	50	100
INR	3,850.0	1,925.0	(1,925.0)	(3,850.0)

* 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 enter into derivative transactions other than forward transactions and interest rate futures.

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 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 exposure method.

Credit exposure as on March 31, 2024

(₹ million)

	Notional Amount	Gross positive fair value of contracts	Potential future exposure	Total credit exposure
Forward contracts	67,173.3	106.6	1,819.9	1,926.5

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)	16,893.66	A=a1+a2
2	Retained earnings	16,377.20	B=b1-b2
3	Accumulated other comprehensive income (and other reserves)	14,461.34	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	47,732.20	
Common Equity Tier 1 capital: regulatory adjustments			
7	Prudential valuation adjustments	16.40	
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-up 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	16.40	
29	Common Equity Tier 1 capital (CET1)	47,715.80	
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)	47,715.80	
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	3,750.06	E=e1+e2
51	Tier 2 capital before regulatory adjustments	6,750.06	
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)	6,750.06	
59	Total capital (TC = T1 + T2) (45 + 58)	54,465.86	
60	Total risk weighted assets (60a + 60b + 60c)	3,28,336.40	
60a	<i>of which: total credit risk weighted assets</i>	2,85,076.10	
60b	<i>of which: total market risk weighted assets</i>	8,599.00	
60c	<i>of which: total operational risk weighted assets</i>	34,661.30	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	14.53%	
62	Tier 1 (as a percentage of risk weighted assets)	14.53%	
63	Total capital (as a percentage of risk weighted assets)	16.59%	
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation plus countercyclical buffer requirements plus higher of 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)	7.53%	
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)	3,750.06
77	Cap on inclusion of provisions in Tier 2 under standardised approach	3,750.06
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 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	3,750.06
	Eligible Revaluation Reserves included in Tier 2 capital	-
	Total of row 50	3,750.06

Table DF-12: Composition of Capital- Reconciliation Requirements**Step 1**

		(₹ million)	
		Balance sheet as in financial statements As on Mar. 31, 2024	Balance sheet under regulatory scope of consolidation As on Mar. 31, 2024
A	Capital & Liabilities		
i	Paid-up Capital	3,128.04	
	Reserves & Surplus	47,550.57	
	Minority Interest	-	
	Employee Stock Options Outstanding	34.09	
	Total Capital	50,712.70	
ii	Deposits	4,93,530.34	
	of which: Deposits from banks	48,663.53	
	of which: Customer deposits	4,44,866.81	
	of which: Other deposits (pl. specify)	-	
iii	Borrowings	62,194.75	
	of which: From RBI	8,760.00	
	of which: From banks	250.00	
	of which: From other institutions & agencies	49,350.70	
	of which: Others (pl. specify) Borrowings from outside India	834.05	
	of which: Capital instruments	3,000.00	
iv	Other liabilities & provisions	23,931.88	
	Total	6,30,369.67	
B	Assets		
i	Cash and balances with Reserve Bank of India	28,669.32	
	Balance with banks and money at call and short notice	1,989.55	
ii	Investments:	1,62,108.48	
	of which: Government securities	1,23,792.63	
	of which: Other approved securities	-	
	of which: Shares	296.30	
	of which: Debentures & Bonds	997.57	
	of which: Subsidiaries / Joint Ventures / Associates	-	
	of which: Others (Commercial Papers, Mutual Funds, Certificate of Deposits, PTCs, SRs etc.)	37,021.98	
iii	Loans and advances	4,09,245.65	
	of which: Loans and advances to banks	0.00	
	of which: Loans and advances to customers	4,09,245.65	
iv	Fixed assets	8,648.83	
v	Other assets	19,707.84	
	of which: Goodwill and intangible assets	-	
	of which: Deferred tax assets (Net)	1,384.72	
vi	Goodwill on consolidation	-	
vii	Debit balance in Profit & Loss account	-	
	Total Assets	6,30,369.67	

Step 2

(₹ million)

	Balance sheet as in financial statements As on Mar. 31, 2024	Balance sheet under regulatory scope of consolidation As on Mar. 31, 2024	Ref No.
A Capital & Liabilities			
i Paid-up Capital	3,128.04		a1
Reserves & Surplus	47,550.57		
of which:			
Securities Premium	13,765.62		a2
Balance in Profit & Loss account	16,768.20		b1
of which:			
Unallocated Surplus	11,408.46		
Current period profits not reckoned for Capital Adequacy	391.00		b2
Statutory Reserve	9,545.22		c1
Capital Reserve	1,480.53		c2
Special Reserve	2,096.19		c3
Revaluation Reserve	2,900.69		c4
of which			
Not reckoned for Capital Adequacy purposes	1,595.38		c5
Investment Reserve	0.00		
Investment Fluctuation Reserve	994.12		e1
Employee Stock Options Outstanding	34.09		c6
Minority Interest	-		
Total Capital	50,712.70		
ii Deposits	4,93,530.34		
of which: Deposits from banks	48,663.53		
of which: Customer deposits	4,44,866.81		
of which: Other deposits (pl. specify)	-		
iii Borrowings	62,194.75		
of which: From RBI	8,760.00		
of which: From banks	250.00		
of which: From other institutions & agencies	49,350.70		
of which: Others (pl. specify) Borrowings from outside India	834.05		
of which: Capital instruments	3,000.00		d
iv Other liabilities & provisions	23,931.88		
of which: Provision for Standard Assets	2,755.94		e2
of which: DTLs related to goodwill	-		
of which: DTLs related to intangible assets	-		
Total	6,30,369.67		

(₹ million)

	Balance sheet as in financial statements As on Mar. 31, 2024	Balance sheet under regulatory scope of consolidation As on Mar. 31, 2024	Ref No.
B Assets			
i Cash and balances with Reserve Bank of India	28,669.32		
Balance with banks and money at call and short notice	1,989.55		
ii Investments	1,62,108.48		
of which: Government securities	1,23,792.63		
of which: Other approved securities	-		
of which: Shares	296.30		
of which: Debentures & Bonds	997.57		
of which: Subsidiaries / Joint Ventures / Associates	-		
of which: Others (Commercial Papers, Mutual Funds, Certificate of Deposits, PTC, SRs etc.)	37,021.98		
iii Loans and advances	4,09,245.65		
of which: Loans and advances to banks	0.00		
of which: Loans and advances to customers	4,09,245.65		
iv Fixed assets	8,648.83		
v Other assets	19,707.84		
of which: Goodwill and intangible assets Out of which:	-		
Goodwill	-		
Other intangibles (excluding MSRs)	-		
Deferred tax assets (Net)	1,384.72		
vi Goodwill on consolidation	-		
vii Debit balance in Profit & Loss account	-		
Total Assets	6,30,369.67		

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	16,893.66	A=a1+a2
2 Retained earnings	16,377.20	B=b1-b2
3 Accumulated other comprehensive income (and other reserves)	14,461.34	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	47,732.20	
7 Prudential valuation adjustments	16.40	
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)	₹ 3,128 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

Main Features of Regulatory Capital Instruments			
Sr. No.	Particulars	Equity Shares	Sub-Ordinated Debt
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
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:

<https://www.dcbbank.com/upload/pdf/DCB-Capital-Structure-of-the-Bank-as-on-31st-March-2024.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	630,369.67
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	1,926.45
5. Adjustment for securities financing transactions (i.e. repos and similar secured lending)	23,253.28
6. Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	-
7. Other adjustments	-
8. Leverage ratio exposure	655,549.40

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)	6,30,369.67
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)	6,30,369.67
Derivative exposures	
4. Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	106.58
5. Add-on amounts for PFE associated with all derivatives transactions	1,819.88
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)	1,926.45
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	-

Leverage ratio common disclosure template

Item		Leverage ratio framework (₹ million)
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	53,359.09
18	(Adjustments for conversion to credit equivalent amounts)	30,105.81
19	Off-balance sheet items (sum of lines 17 and 18)	23,253.28
Capital and total exposures		
20	Tier 1 capital	47,715.80
21	Total exposures (sum of lines 3, 11, 16 and 19)	6,55,549.40
Leverage ratio		
22	Basel III leverage ratio (per cent)	7.28%

Notes:

SFT : Securities Financing Transactions

PFE : Potential Future Exposure

CCP : Central Counterparty

CCR : Counterparty Credit Risk

Leverage Ratio for 4 quarters are as under-

(₹ million)

Particulars	As on June 30, 2023	As on September 30, 2023	As on December 31, 2023	As on March 31, 2024
Tier 1 Capital	42,983.7	42,991.0	42,946.2	47,715.8
Exposure measure	5,73,594.7	6,01,582.8	6,22,127.3	655,549.4
Leverage ratio	7.49%	7.15%	6.90%	7.28%

DCB GST Payment Solution

DCB Bank is now a designated agency to collect Good and Service Tax (GST) on behalf of Central Board of Indirect Taxes & Customs (CBIC).

You can generate challans on the Goods and Service Tax portal with GSTIN details and make tax payments anytime, anywhere in just a few clicks.

The tax payment can be initiated via below payment modes:

- Online mode (DCB Personal Internet Banking & DCB Business Internet Banking)
- Offline mode (DCB Bank branch - via Cash, Cheque, Demand Draft of any Bank)



Highlights

- Secure and quick tax payment from the comfort of your home or office
- Save cost and time with minimal paperwork
- Get instant payment acknowledgement and challan receipt
- Faster remittance of tax revenue to the Government Account
- This service comes absolutely free

Make GST payment in just 5 steps

- Visit <https://www.gst.gov.in/>
- Login or Enter your GSTIN ID and proceed
- **Click on Services >> Payment >> Create challan**
- Enter challan details & amount
- Select appropriate mode of payment (E-Payments or Over The Counter) & select DCB Bank.
 - E-payments: Enter DCB Internet Banking login credential, verify tax details & authorize the tax payment.
 - Over The Counter: Print the challan and submit at nearest DCB Bank branch along with cash/ cheque/ DD

Upon successful completion of tax payment, acknowledgment/ receipts can be downloaded from GSTN portal.

Steps to download Challan: Login to GSTN Portal >> Services >> Payments >> Challan History >> CPIN >> Download

Terms & conditions apply



DCB BANK

DCB Happy Savings Account

Happy Spending. Happy Earning.

Now earn upto **₹7,500 p.a.*** as cashback
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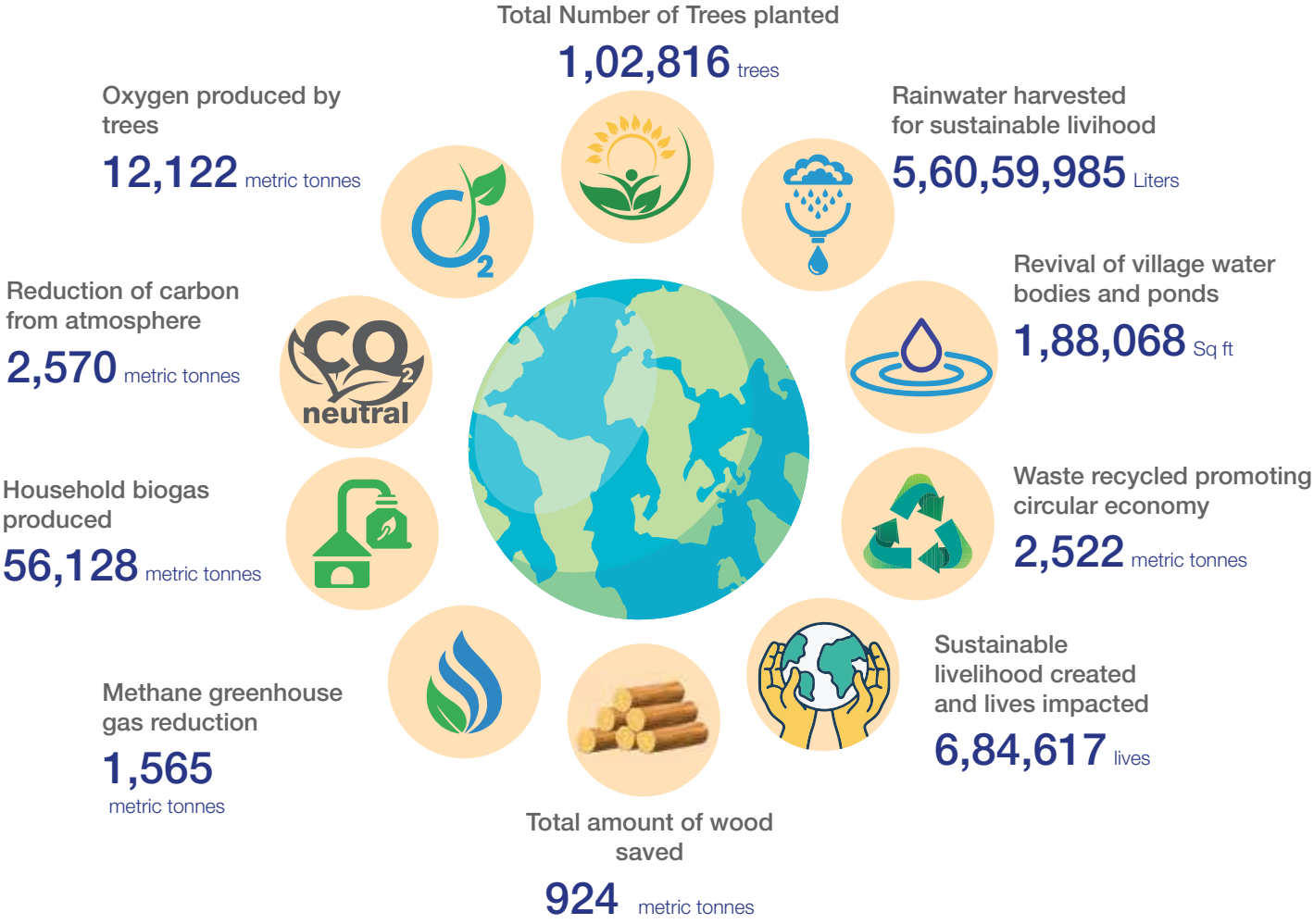
DCB Customer Care: Call 022 68997777 ▪ 040 68157777
Email customercare@dccbanc.com **Web** www.dccbanc.com

Terms & conditions apply. *Cashback is subject to maintenance of average account balance in a quarter along with maximum eligible UPI transactions per month.



DCB Bank Limited

Sustainable impact by DCB Bank Corporate Social Responsibility FY 2023-24



DCB Bank Limited

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