DCB BANK

Ref. No.CO:CS:RC:2019-20:037 May 06, 2019

BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 023.

National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra (E),
Mumbai – 400 051.

Dear Sirs,

Sub: Annual Report for FY 2018-19

BSE Scrip Code No.: 532772 **NSE SYMBOL: DCBBANK**

Pursuant to the requirement under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [the Listing Regulations], we are pleased to submit herewith Annual Report of the Bank for FY 2018-19.

You are requested to take the same on your record and disseminate on your website.

Thanking you,

Yours faithfully,
For DCB Bank Limited

Rubi Chaturvedi
Company Secretary &
Compliance Officer

Encl.: As above

DCB BANK LIMITED CS Dept. CO-MUMBAI

DCB BANK LIMITED

CIN: L99999MH1995PLCO89008
Registered Office: 601 & 602, Peninsula Business Park, Tower A, 6th Floor, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013

ATTENDANCE SLIP

Sr.No.:

Regd. Folio/DP ID & Client ID	
Name and address of the shareholder	
Name(s) of the Joint Holder(s)	
No. of Shares	

1. I hereby record my presence at the TWENTY FOURTH ANNUAL GENERAL MEETING of the Bank being held on Saturday, June 1, 2019, at 2.30 p.m. at Rama & Sundri Watumull Auditorium, K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai – 400 020.
2. Signature of the Shareholder/Proxy Present
3. Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.
4. Shareholder/Proxy holder desiring to attend the meeting may bring his/her copy of the Annual Report for reference at the meeting.

Note: PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING.

ELECTRONIC VOTING PARTICULARS

EVSN (Electronic Voting Sequence Number)	Default Pan/Sequence No.*
190425001	

* Only Shareholders who have not updated their PAN with Company / Depository Participant shall use Default PAN in the PAN Field.

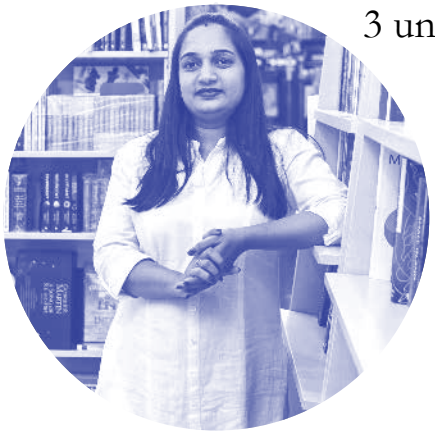
Note: Please read the instructions printed under the Note no.10 to the Notice dated April 18, 2019 of the 24th Annual General Meeting. The Voting period starts from 10.00 a.m. (IST) on Wednesday, May 29, 2019 and ends at 5.00 p.m. (IST) on Friday, May 31, 2019.The voting module shall be disabled by CDSL for voting thereafter.

DCB BANK

DCB Bank Limited Annual Report 2018 - 19



DCB Bank reaches out to customers across India from 333 branches located in 19 states & 3 union territories





102
Metro Branches

81
Urban Branches

84
Semi Urban Branches

66
Rural Branches





Managing Risks for Profitable Growth



The business environment today has a heightened exposure to a variety of Risks. The uncertainties in the external environment owing to both political and economic volatility has witnessed an exponential rise in the past five years.

At DCB Bank we have been mindful of this trend and have increasingly taken steps to be alert to these risks and have spent time and effort to internalise them in our internal policies with regard to the profile of our lending, the nature of our deposit base as well as the technological risks such as cybersecurity in the highly connected world in which we now operate.

Our performance of steady profitable growth without deteriorating quality of our portolion bears testimony to this approach. We have shunned aggressive top line growth in favour of quality growth that contributes to our bottomline as well as insulates us from shocks that we might face externally. Our branch expansion programme was deployed with some precision for performance and we will benefit from this investment for years to come.

In the end, our belief is that we need to perform core banking diligently, innovatively and with trust of our employees and our customers. Its not only about what we do but how we do it.

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DCB Bank Vision

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

DCB Bank Values

Treat Everyone with Dignity – Respect

Do What is Right – Ethical

Be Open & Transparent – Fair

Sense of Urgency, Passion & Energy – Dynamic

Go the Extra Mile, Find Solutions – Stretch

Improve Continuously – Excellence

Play as a Team, To Win – Teamwork

Support the Society – Contribute

COMPANY INFORMATION

Board of Directors

Mr. Nasser Munjee
Chairman

Mr. Murali M. Natrajan
MD & CEO

Mr. Altaf Jiwani

Mr. Amin Manekia

Mr. Ashok Barat

Mr. Imran Contractor

Mr. Iqbal Khan

Mr. Jamal Pradhan

Mr. C. Narasimhan

Ms. Rupa Devi Singh

Mr. Shaffiq Dharmshi

Mr. S. Sridhar

Senior Management Team

Mr. Venkattesh R.
President and Head – Operations Technology & Human Resources

Mr. Bharat Sampat
President and Chief Financial Officer

Mr. Praveen Kutty
President and Head – Retail & SME Banking

Mr. Sridhar Seshadri
Executive Vice President and Chief Risk Officer

Company Secretary

Ms. Rubi Chaturvedi

Functional Management Heads

Mr. Abhijit Bose
Chief Credit Officer

Mr. Abhijit Shah
Chief Technology Officer

Mr. Aditya Prasad
Chief Compliance Officer

Mr. Ajay Mathur
Head – Collections & Commercial Vehicles

Mr. Damodar Agarwal
Head – Payments & Strategic Alliances

Mr. Gaurav Mehta
Head – Marketing, PR & Corporate Communications & Investor Relations

Mr. J. K. Vishwanath
Head – Corporate Banking

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

Mr. Krishna Ramasankaran
Head – Credit, Retail & Small and Medium Enterprises

Mr. Manoj Joshi
Business Head – Trade Finance

Ms. Meghana Rao
Head – Branch Operations

Mr. Narendranath Mishra
Head – Agri & Inclusive Banking

Mr. N. C. Kaushal
Business Head – Small and Medium Enterprises

Mr. Pankaj Sood
Head – Branch Banking-Retail

Mr. Rajesh Verma
Head – Treasury,Correspondent Banking & Trade Finance

Mr. Sukesh Bhowal
Head – Mortgages & Gold Loans

Ms. T. P. Anuradha
Chief Internal Auditor & Chief of Internal Vigilance

Statutory Auditors

Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 117365W)

Registered Office

DCB Bank Limited
601 & 602, Peninsula Business Park,
6th Floor, Tower A,
Senapati Bapat Marg, Lower Parel,
Mumbai 400 013

CHAIRMAN'S STATEMENT FY 2019

We are living in a dynamic and unpredictable world. There are complex set of variables that are constantly changing making it very difficult to visualize stability or predict the future with any level of accuracy. At the same time there are new opportunities for growth and success. Achieving linear growth may not be easy or possible – we are witnessing jagged movements in some respects and exponential change in others.

Uncertainty and Flux

Almost all firms today are under existential threat. Looking out five years is difficult at best. The automobile industry, civil aviation, financial services, communications, mobility, renewable energy, robotics, are all undergoing transformation. Many industries such as Banking (1600), the gasoline automobile (1870) the Aeroplane (1905), that facilitate our everyday lives find their origins to more than 100 years ago. The 21st century is likely to challenge all of our assumptions about the future of everyday life and transform the experience to something very different which has never been known before. This is both scary as well as hopeful. We are marching to a better world which we can scarcely imagine today.

The firms that are succeeding spectacularly today are those that are creating this new world through innovation and vision. Apple, Google, Tesla, SpaceX, Amazon, Airbnb, Uber are some examples who were barely known fifteen years ago or didn't even exist. The ubiquitous firms of yesterday have either disappeared or are a fraction of their size today. The most valuable firms of today emerged as ideas whose time had come using technology to their advantage and redefining the manner in which business was done. This process is likely to continue.

What does this all mean for DCB Bank? The challenge for the Bank is to grow steadily from year to year defined by our own strategy of retail banking pan India. We do this by doing what we do well. We are constantly learning and internalising this learning to serve our customers better every year using technologies that are appropriate for us and that serve our purpose. We find ourselves as a small private sector bank operating side by side with giants but finding a place of our own in this vast market in India.

Being small, nevertheless, does not preclude us from being technologically creative. In innovative payment solutions, mobile convenience and a modern infrastructure to support our core banking operations with speed and safety, the bank has been on the forefront of recent developments. We have built an extremely capable and innovative team for IT solutions for our banking needs within the Bank. The teams are constantly engaged with Fintech companies by conducting structured Hackathons to understand where opportunity for product development may exist. Some ideas are then adopted as innovative product developments for the future.

Managing risks for profitable growth

Given the period of flux that I have described, managing risk in a constantly changing environment is of utmost importance. It constitutes the theme of this annual report. Our growth and success depends firmly on the manner in which we assess the risks of doing business in an uncertain world. Our own perception

of these risks is internalised with regard to the profile of our lending, the nature of our deposits as well as cybersecurity risks we may be subjected to. Given the size of our balance sheet we are very mindful of constantly defining our risk appetite and the possible impact it may have if these risks were to materialise.

We have built a very capable team within the Bank for conducting Data Analytics and applying these techniques to the possible risks we face within the Bank over a wide variety of areas. This constitutes an intelligent way of observing risks embedded in the data we possess, which would not be otherwise visible, and then developing measures to mitigate these risks. Data Analytics has been used to examine a variety of operational areas within the Bank to great effect and has alerted us to factors constituting risk which we would not otherwise have perceived.

Performance

DCB Bank has charted a path of steady profitable growth through very difficult times. I am happy to report that this growth path has remained intact despite shocks to the system in the past many years.

This year our Balance Sheet has grown 18.4% to ₹ 35,791.83 crores and Total Operating Profit by 23.2% to ₹ 646.60 crores. Profitability (PBT) has grown by 31.2% to touch ₹ 506.54 crores. Our Net NPAs continue to be kept in control at 0.65%. Our expanded Branch Network of 333 branches are performing satisfactorily ensuring our continued growth of CASA deposits with have now grown by 16.6% to ₹ 6,809.90 crores. The Book Value of our equity share is now ₹ 92.72.

Conclusion

While the Bank has made steady progress and will continue to do so, I felt it necessary to indicate that we are very mindful of the environment that we face as we sail into the future. Stormy seas will buffet the ship but we must always point our sails in the direction of our ultimate destination. Failure to do so will quickly divert our course in a direction that is unknown and treacherous.

In order to do that we need to use all the techniques we can muster that will give us a pointer to the risks we face and how we could manage them more effectively. Every year these techniques will become more sophisticated and hopefully more useful for management. We are building the intellectual capabilities with which to tackle these challenges.

In the end it is the human resources that drive these processes. DCB Bank is blessed with an excellent team and I am sure that we can rise to the challenges that face us in the future.

Nasser Munjee
Chairman

Mumbai, April 18, 2019

CLEAN-UP & TREE PLANTATION WITH EMPLOYEE VOLUNTEERS ACROSS DCB BANK BRANCH LOCATIONS

DCB SOCIAL


Nashik



Mumbai


Salem


Chennai


Ahmedabad

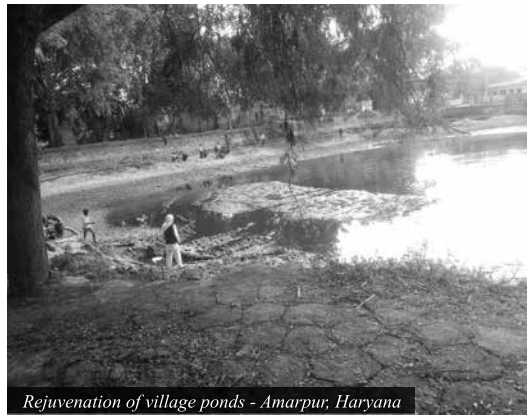

Bengaluru


Karnala

CSR PROJECTS INVOLVE COMMUNITIES FOR A SUSTAINABLE FUTURE



Ground water recharge - Malapadu, Andhra Pradesh



Rejuvenation of village ponds - Amarpur, Haryana



Rejuvenation of village ponds - Amarpur, Haryana



Protection of Indus river dolphin - Harike, Punjab



Protection of Indus river dolphin
Harike, Punjab



Waterless urinals - Amritsar, Bengaluru, Chennai, Hyderabad, Jaipur, Mumbai and New Delhi

DCB SOCIAL



Sapling plantation - Ramgarh, Uttarakhand



Sapling plantation - Ramgarh, Uttarakhand



Rooftop rainwater harvesting - Anantapur, Andhra Pradesh



Solar street lights for tribal hamlets Karjat, Maharashtra



Yusuf Meherally Centre, Karnala & Divya Vidyalay, Jawahar



Yusuf Meherally Centre, Karnala & Divya Vidyalay, Jawahar

CSR INITIATIVES TO PROPAGATE THE IMPORTANCE OF SUSTAINABLE LIVING

DCB SOCIAL


Conversations with employees on sustainable living


Clean-up, Mira Road


Clean-up, Mira Road



Clean-up, Mira Road



Recyclable cotton shopping bags

Inspiring stories, watch how communities, individuals and DCB Bank work together on sustainability and issues related to climate change. Scan the code with your smart phone.

Badundia and Modwa villages in Rajasthan now have plenty of water and a sustainable future. Thanks to DCB Bank's watershed development project.

Beat the plastic habit. Go green, we are doing our bit with help from Jijabai Mahila Bachat Gat.

Watch Shilpa travel across the 4 corners of India and spread awareness about climate change and sustainable living. She also set an India record.

Mira Road branch went clean, green and colourful. A message for all of us!

NOTICE TO MEMBERS

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the Members of DCB BANK LIMITED ("the Bank") will be held on Saturday, June 1, 2019 at 2.30 p.m. at the Rama & Sundri Watumull Auditorium, K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai 400 020 to transact the following:

Ordinary Business:

1. To receive, consider and adopt the audited financial statements for the financial year ended March 31, 2019 together with the Reports of the Auditors and Directors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. Amin Manekia (DIN-00053745), who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of Statutory Auditors and to fix their remuneration for the Financial Year ending March 31, 2020 and in that connection to consider and, if thought fit, to pass, the following Resolution as an Ordinary Resolution:-

"RESOLVED THAT subject to approval of the Reserve Bank of India ("RBI") and such other regulatory authorities, as may be applicable, and pursuant to provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable rules, if any, the applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Rules, Circulars and Guidelines issued by the RBI, from time to time and pursuant to the resolution passed by the Members at the Twenty-First Annual General Meeting held on June 1, 2016 appointing M/s. Deloitte, Haskins & Sells, Chartered Accountants (Registration No.117365W) as the Statutory Auditors of the Bank to hold office for four (4) years from the conclusion of the Twenty First Annual General Meeting till the conclusion of Twenty Fifth Annual General Meeting, the appointment of M/s. Deloitte, Haskins & Sells, Chartered Accountants (Registration No. 117365W) as the Statutory Auditors of the Bank to hold office from the conclusion of this Annual General Meeting till the conclusion of Twenty Fifth Annual General Meeting, be and is hereby ratified by the Members of the Bank and the Board of Directors of the Bank is authorized to fix their remuneration and other terms and conditions for the Financial Year ending March 31, 2020."

Special Business:

5. Re-appointment of Mr. Altaf Jiwani (DIN-05166241) as Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Altaf Jiwani (DIN-0516624), Independent Non-Executive Director of the Bank, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Bank to hold office for second term with effect from 1st April, 2019 to 11th January 2020 and whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Bank be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto".

6. Re-appointment of Mr. Imran Contractor (DIN-06382169) as Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Imran Contractor (DIN-06382169), Independent Non-Executive Director of the Bank, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Bank to hold office for second term with effect from 1st April, 2019 to 11th October 2020 and whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Bank be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto".

7. Re-appointment of Mr. C. Narasimhan (DIN-02133263) as Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. C. Narasimhan (DIN-02133263), Independent Non-Executive Director of the Bank, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Bank to hold office for second term with effect from 1st April, 2019 to 11th October 2020 and whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Bank be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto".

8. Re-Appointment of Mr. S. Sridhar (DIN-00004272) as Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. S. Sridhar (DIN-00004272), Independent Non-Executive Director of the Bank, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Bank to hold office for second term with effect from 1st April, 2019 to 11th October 2020 and whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Bank be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto".

9. 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 23rd Annual General Meeting held on June 2, 2018 and pursuant to Section 180(1) (c) and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time and the rules notified thereunder along with 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 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 ₹ 4,000 Crore (Rupees Four Thousand Crore) or the aggregate of the paid up capital and free reserves, whichever is higher.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this Resolution".

10. Raising of Funds by issue of bonds/ debentures/ securities on Private Placement basis

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

"RESOLVED THAT pursuant to Section 42 and other applicable provisions, if any, of the Companies Act, 2013, as amended, and the rules made there under, Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India(Issue and Listing of Debt Securities) Regulations, 2008 including any amendment, the applicable provisions of the Banking Regulation Act, 1949, as amended, and the rules, circulars and guidelines issued by the Reserve Bank of India ("RBI") from time to time (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force) and all other relevant provisions of applicable law(s), 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) including RBI, the approval of the Members of the Bank be and is hereby accorded to the Board of Directors of the Bank (hereinafter referred to as "Board" and which term shall be deemed to include any Committee of the Board or any other persons to whom powers are delegated by the Board as permitted under the Companies Act, 2013) for borrowing/raising of funds in Indian/foreign currency by issue of debt securities including but not limited to refinance from term lending institutions and non-convertible debentures, bonds (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 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 , as per the structure and within the limits permitted by the RBI, of an amount not exceeding ₹ 500 Crore (Rupees Five Hundred Crore), 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 private placement of debt securities by the Bank and to further delegate the above powers to any Committee of Directors or any personnel 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".

11. Amendments in the Object Clause of the Memorandum of Association of the Bank

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

"RESOLVED THAT pursuant to the provisions of Section 13 and all other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force and the rules made thereunder (including the Companies (Incorporation) Rules, 2014), the applicable provisions of the Banking Regulation Act, 1949 (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force), the rules, circulars and guidelines issued by Reserve Bank of India ("RBI") from time to time, subject to approval of the Registrar of Companies, Mumbai, Maharashtra, ("ROC"), the advice received from the RBI and such other approvals as may be necessary or required, the Clause III (Objects Clause) of the Memorandum of Association of the Bank be and is hereby altered by inserting / modifying the following clauses and remaining sub-clauses be re-numbered accordingly:

A) In Clause III (A):

I. Clause 2(b) which is appearing as "the lending or advancing of money with or without security" be substituted with the following:
"the lending or advancing of money with or without security (e.g. Loan, overdraft or on cash credit on other accounts or in any other manner with or without security of movable or immovable properties, bills of exchange, hundis, promissory notes, coupons, drafts, railway receipts, warrants, debentures, certificates, scrips and other instruments, and securities whether transferable or negotiable or not)"

II. Clause 2(f) which is appearing as "the buying and selling of foreign exchange including foreign Bank notes" be substituted with the following:
"act as foreign exchange dealer, the buying and selling of foreign exchange including foreign bank notes, foreign currency options, forward covers, swaps of all kinds and to transact for itself or on behalf of any persons, body corporate, company, corporation, society, firm or association of persons whether incorporated or not, all kinds of transactions in foreign currencies"

III. Insertion of following new Clauses after the existing clause 2(l):

m) Issuing of credit cards and all kinds of securities;

n) Carrying on any other business specified in clause (b) to clause (n) of the subsection (1) of section 6 of the Banking Regulation Act, 1949 (10 of 1949), and such other forms of business which the Central Government has pursuant to clause (o) of sub-section (1) of the Section 6 of that Act, specified or may from time to time specify by notification in the Gazette as a form of business in which it would be lawful for a banking company to engage.

IV. Insertion of following new clause after the existing Clause 6:
6 (a) To deposit money with other banks by way of current deposits, fixed deposits, and otherwise with or without interest, to accept bills of exchange, hundies and other negotiable instruments and to endorse the same to bankers and do all such banking business as are generally done by bankers with bankers and others.

B) In Clause III (B):

I. Clause 18 which is appearing as "Doing business of equipment leasing, hire purchase, merchant banking, mutual funds, custodial services and carry on business of factoring and to do any other business that Reserve Bank of India and the Government permits from time to time." be substituted with the following:

"Doing business of equipment leasing, hire purchase, merchant banking, investment banking, portfolio investment management, mutual funds, custodial services and carry on business of factoring and to do any other business that Reserve Bank of India and the Government permits from time to time."

II. Insertion of following new clause after the existing Clause 22 :
22(a) To form, establish or promote any other company, body corporate or any other entity either as subsidiary of this company or otherwise for the purpose of carrying on any of the business or activities of the company or for the purpose of acquiring or taking over all or any of the property, rights and liabilities of such company, body corporate, or any other entity or for any other purpose which may directly or indirectly benefit the company.

C) Clause (C) Other Objects: Header of the Clause to be updated as per Companies Act, 2013 to **"Matters which are necessary for furtherance of the objects specified in IIIA." and**

Insertion of the following para as suggested by Reserve Bank of India (RBI) after the existing Clause 57 under Clause (C):

"The above Objects of the Company as provided in III (A), III (B) and III (C) shall be within the scope and ambit of the Banking Regulation Act, 1949 and shall not be inconsistent with the relevant statutes and the circulars / instructions / guidelines issued by the Reserve Bank of India from time to time including conditions imposed while issuing banking license."

RESOLVED FURTHER THAT Board of Directors (hereinafter referred to as "Board" and the expression shall also include a duly constituted Committee thereof) be and is hereby authorized to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to give effect to the above resolution, including the delegation of all or any of its powers herein conferred to any Director(s), the Company Secretary or any other officer(s) of the Bank."

Place: Mumbai
Date: April 18, 2019
CIN:L99999MH1995PLC089008

By Order of the Board of Directors
DCB Bank Limited

Registered Office:
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

Rubi Chaturvedi
Company Secretary

NOTES:

1) A MEMBER ENTITTLED TO ATTEND AND VOTE AT THE MEETING IS ENTITTLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE BANK.

   A person shall not act as Proxy for more than Fifty (50) Members and holding in the aggregate not more than ten percent of the total share capital of the Bank carrying voting rights. A person holding more than 10 percent of the total share capital of the Bank carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

2) The instrument appointing the proxy (as per the format provided hereinafter), in order to be effective, should be duly stamped, completed and signed and deposited at the Registered Office of the Bank not less than 48 hours before the commencement of the meeting.

3) MEMBER / PROXY/AUTHORISED REPRESENTATIVES SHOULD BRING THE ATTENDANCE SLIP SENT HEREWITH, DULY FILLED IN, FOR ATTENDING THE MEETING AND THE IDENTIFICATION FORMS DULY FILLED IN ALONG WITH THEIR COPIES OF ANNUAL REPORT AND ACCOUNTS.

4) An Explanatory Statement required under Section 102(1) of the Companies Act, 2013 in respect of the business at Item nos. 4 to 11 of the Notice is annexed hereto.

5) The Register of Members and Share Transfer Books of the Bank will remain closed from Saturday, May 25, 2019 to Saturday, June 1, 2019 (both days inclusive). Dividend will be paid to Members whose names appear on the record of Depositories (NSDL and CDSL) on Friday, May 24, 2019 (for shares held in demat mode) and in the Register of Members of the Bank (for shares held in physical mode) updated as on the Book Closure Dates. The dividend will be paid to the Members within the stipulated time.

6) **Updated lists of Unpaid Dividend (FY 2016-17 & FY 2018-19) as of March 31, 2019 are hosted on website of the Bank at https://www.dcbbank.com/cms/showpage/page/for-shareholder. Members, whose dividend has remained**

unpaid, are requested to contact the Registrar and Transfer Agents (RTA) viz. Link Intime India Private Limited or Share Department of the Bank to claim their unclaimed dividend.

7) Members holding shares in physical form are requested to address all their correspondence including bank details, change of address, mandates 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.

8) Since shares of the Bank are traded on the stock exchanges compulsorily in demat mode, Shareholders holding shares in physical mode are strongly advised to get their shares dematerialised.

9) The Shareholders who are holding shares in demat form and have not yet registered their e-mail IDs, are requested to register their e-mail IDs with their Depository Participant at the earliest, to enable the Bank to use the same for serving documents to them electronically, hereinafter. Shareholders holding shares in physical form may kindly provide their e-mail IDs to the RTA sending an e-mail at dcbbankgogreen@linkintime.co.in or to the Bank at investorgrievance@dcbbank.com. The Annual Report of the Bank and other documents proposed to be sent through e-mail would also be made available on the Bank's website at http://www.dcbbank.com/cms/showpage/page/about-us- key financials

10) E-Voting:

The Bank has provided 'remote e-voting' (e-voting from a place other than venue of the AGM) facility through Central Depository Services (India) Limited (CDSL) as an alternative, for all Members of the Bank to enable them to cast their votes electronically on the resolutions mentioned in the notice of the 24th Annual General meeting (AGM) of the Bank dated April 18, 2019 (the AGM Notice). The facility for voting/e-voting shall also be made available at the AGM and the Members attending the AGM and who have not already cast their votes through remote e-voting shall be able to exercise their voting rights at the AGM. The Members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM. The Bank has appointed Mr. S. N. Ananthasubramanian (FCS 4206 & COP 1774) and failing him Ms. Aparna Gadgil (ACS 14713 & COP 8430) 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. E-voting is optional.

In terms of requirements of the Companies Act, 2013 and the relevant Rules, the Bank has fixed Friday, May 24, 2019 as the 'Cut-off Date'. The remote e-voting /voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on the Cut-off Date only.

INSTRUCTION FOR REMOTE E-VOTING

The Bank is pleased to offer Remote E-voting facility for its Members to enable them to cast their votes electronically. The procedure and instructions for the same are as follows:

I. The Remote E-voting period begins on Wednesday, May 29, 2019 at 10.00 a.m. (IST) and ends on Friday, May 31, 2019 at 05.00 p. m. (IST). During this period, Members of the Bank holding shares either in physical form or in dematerialized form as on the cut-off date i.e. May 24, 2019, may cast their votes electronically. The Remote E-voting module shall be disabled by CDSL for voting after 5.00 p.m. (IST) on Friday, May 31, 2019.

II. The Members should log on to the Remote E-voting website: www.evotingindia.com.

III. Click on the tab 'Shareholders/Members'.

IV. 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. Members holding shares in Physical Form should enter Folio Number registered with the Bank

V. Next, enter the Image Verification as displayed and Click on Login.

VI. If you are holding shares in demat form and have earlier logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password should be used.

VII. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) * Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number, printed on Attendance Slip, in the PAN Field.
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. #There are 2 fields provided. Any one detail to be entered. 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 as mentioned in instruction (IV).

VIII. After entering these details appropriately, click on "SUBMIT" tab.

IX. Members holding shares in physical form will then directly reach the Company selection screen. However, Members 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 to be also 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 Remote 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.

X. For Members holding shares in physical form, the details can be used only for Remote E-voting on the resolutions contained in this Notice.

XI. Click on the Electronic Voting Sequence Number (EVSN) of "DCB Bank Limited".

XII. 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.

XIII. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

XIV. 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.

XV. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

XVI. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

XVII. If Demat account holder has forgotten the changed password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

XVIII. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the AppStore and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

XIX. Note for Non – Individual Shareholders and Custodians

- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdeskevoting@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 should be mailed to helpdesk at 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.

XX. In case you have any queries or issues regarding Remote E-voting, you may contact Mr. Rakesh Dalvi, Dy. Manager, CDSL, or Helpdesk: 1800225533 or refer the Frequently Asked Questions (FAQs) and Remote E-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

11) Details of Directors seeking appointment / re-appointment in the 24th Annual General Meeting scheduled on June 1, 2019 (Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), are given on the following pages:

Name of Director	**Mr. Amin Manekia**	**Mr. Altaf Jiwani**	**Mr. Imran Contractor**
Date of Birth	June 16, 1961	January 23, 1967	October 16, 1961
Date of the original Appointment	January 12, 2012	January 12, 2012	October 12, 2012
Date of the last re-appointment	June 01, 2017	June 06, 2014 (Independent Director w.e.f. April 01, 2014)	June 06, 2014 (Independent Director w.e.f. April 01, 2014)
Expertise in Specific Functional area	Co-operation, Finance, Marketing & Banking	Industry & Finance	Finance, Investments and Software Technology
Qualification	MBA, Babson College, USA, B.Com.	B.E.(Production), M.M.S. (Finance)	B. Com., Chartered Accountant, Cost Accountant and holder of Certificate in Software Technology from NCST
Board Membership of other Public Limited companies as on March 31, 2019	2	1	NIL
Chairman/ Member of the Committee of the Board of Directors of the Bank as on March 31, 2019	Chairman: (i) Customer Service Committee Member: (i) Credit Committee (ii) Risk Management Committee (iii) Stakeholders' Relationship Committee (iv) Nomination & Remuneration Committee	Chairman: NIL Member: (i) Audit Committee (ii) Executive Committee (iii) Capital Raising Committee (iv) Fraud Reporting & Monitoring Committee (v) Nomination & Remuneration Committee (vi) Stakeholders' Relationship Committee (vii) Customer Service Committee (viii) Wilful Defaulter Review Committee	Chairman: (i) Stakeholders' Relationship Committee (ii) Risk Management Committee Member: (i) Executive Committee (ii) Capital Raising Committee (iii) Audit Committee (iv) Information Technology Strategy Committee (v) Corporate Social Responsibility Committee (vi) Wilful Defaulter Review Committee
Chairman/ member of the Committee of Directors of the other Companies in which he is a Director as on March 31, 2019.			
a. Audit Committee	Chairman: 1 IVP Ltd Member: NIL	NIL	NIL
b. Stakeholders' Relationship Committee	Chairman: NIL Member: NIL	NIL	NIL
c. Other Committees	Chairman : 2 Member : NIL	NIL	NIL
Number of equity Shares held in the Bank as on March 31, 2019	17,303	NIL	4,575

Name of Director	**Mr. S. Sridhar**	**Mr. C. Narasimhan**
Date of Birth	May 09, 1951	July 04, 1951
Date of the original Appointment	October 12, 2012	October 12, 2012
Date of the last re-appointment	June 06, 2014 (Independent Director w.e.f. April 01, 2014)	June 06, 2014 (Independent Director w.e.f. April 01, 2014)
Expertise in Specific Functional area	Banking	Banking, Investment and M&A
Qualification	M. Sc., CAIIB, Dip. In Systems Mgmt.	B.Sc., M.B.A.
Board Membership of other Public Limited companies as on March 31, 2019	6	NIL
Chairman/ Member of the Committee of the Board of Directors of the Bank as on March 31, 2019	Chairman: (i) Credit Committee Member: (i) Capital Raising Committee (ii) Nomination & Remuneration Committee (iii) Customer Service Committee (iv) Corporate Social Responsibility Committee (v) Wilful Defaulter Review	Chairman: (i) Information Technology Strategy Committee Member: (i) Credit Committee (ii) Risk Management Committee (iii) Fraud Reporting & Monitoring Committee
Chairman/ member of the Committee of Directors of the other Companies in which he is a Director as on March 31, 2019.		
a. Audit Committee	Chairman: (i) Jubilant Life Services Limited (ii) Strides Arcolab Ltd. (iii) India Infoline Housing Finance Company Limited (iv) Shriram Transport Finance Company Limited Member: NIL	NIL
b. Stakeholders' Relationship Committee	Chairman: (i) Jubilant Life Services Limited	NIL
c. Other Committees	Chairman : NIL Member: NIL	NIL
Number of equity Shares held in the Bank as on March 31, 2019	NIL	NIL

Explanatory Statement as required under Section 102(1) and any other applicable provisions of the Companies Act, 2013 annexed to and forming part of the Notice dated April 18, 2019:

ITEM NO.4

Ratification of the appointment of Statutory Auditors

Pursuant to the resolution passed by the Members at the Twenty-First Annual General Meeting held on June 1, 2016, M/s. Deloitte, Haskins & Sells, Chartered Accountants (Registration No.117365W) was appointed as the Statutory Auditors of the Bank to hold office for four (4) years from the conclusion of the Twenty First Annual General Meeting till the conclusion of the Twenty Fifth Annual General Meeting. Their appointment as the Statutory Auditors of the Bank is being ratified by shareholders every year. Accordingly, their appointment as the Statutory Auditors of the Bank to hold office from the conclusion of this Annual General Meeting till the conclusion of Twenty Fifth Annual General Meeting is hereby recommended for ratification by the Members of the Bank.

Further, as per the requirements under amended SEBI (LODR) Regulations, 2015, disclosures regarding proposed fees payable to the Statutory Auditor(s) need to be given in the Explanatory Statement

to the Notice. Accordingly, the details of the proposed fees payable to the Statutory Auditors for FY 2019-20 are as under:

a) ₹ 92 lakh as the Audit Fees plus out of pocket expenses, if any, at actual.

b) Fees for any other works not covered in the scope of audit will be paid extra as per mutual agreement between the Auditors and the Bank as approved by the Board.

ITEM NO.5

Re-appointment of Mr. Altaf Jiwani (DIN-05166241) as Independent Director for second term upto January 11, 2020

Mr. Altaf Jiwani was originally appointed as Director of the Bank on January 12, 2012 and pursuant to the requirements under Companies Act, 2013, was appointed as Independent Director of the Bank w.e.f. 1st April 2014 for a period of five consecutive years in the 19th Annual General Meeting held on June 6, 2014. The said period of five years ended on March 31, 2019. He was eligible for re-appointment as Independent Director for one more term of upto five consecutive years subject to meeting criteria of independence and passing of a special resolution by the shareholders of the Bank to that effect. However, since the Bank's Board is also governed by the Banking Regulation Act, 1949, the maximum term of the Directors on the Board of the Bank is restricted to 8 years from the original appointment.

Considering the past performance of Mr. Altaf Jiwani as a Director of the Bank , his consent and necessary disclosures to continue as an Independent Director of the Bank and that he continues to meet criteria of Independence, the Board of Directors, on March 30, 2019, had approved his re-appointment as an Independent Director of the Bank for the second term from April 1, 2019 to January 11, 2020, subject to approval of the shareholders and have recommended his re-appointment for approval of the shareholders in the forthcoming 24th Annual General Meeting by way of a Special Resolution.

None of the Directors other than Mr. Altaf Jiwani, nor any Key Managerial Personnel or their respective relatives are, in any way interested in the Resolution at Item No.5 of the Notice.

ITEM NO.6 to 8

Re-appointment of Mr. Imran Contractor (DIN-06382169), Mr. C. Narasimhan (DIN-02133263) and Mr. S. Sridhar (DIN-00004272) as Independent Directors

Mr. Imran Contractor, Mr. C. Narasimhan and Mr. S. Sridhar were originally appointed as Directors of the Bank on October 12, 2012 and pursuant to the requirements under Companies Act, 2013, were appointed as Independent Directors of the Bank w.e.f. 1st April 2014 for a period of five consecutive years in the 19th Annual General Meeting held on June 6, 2014. The said period of five years ended on March 31, 2019. They were eligible for re-appointment as Independent Directors for one more term of upto five consecutive years subject to meeting criteria of independence and passing of a special resolution by the shareholders of the Bank to that effect. However, since the Bank's Board is also governed by the Banking Regulation Act, 1949, the maximum term of the Directors on the Board of the Bank is restricted to 8 years from the original appointment.

Considering the past performance of Mr. Imran Contractor, Mr. C. Narasimhan and Mr. S. Sridhar as Directors of the Bank , their consent and necessary disclosures to continue as Independent Directors of the Bank and that they continue to meet criteria of Independence, the Board of Directors, on March 30, 2019, had approved their re-appointments as Independent Directors of the Bank for the second term from April 1, 2019 to October 11, 2020, subject to approval of the shareholders and has recommended their re-appointments for approval of the shareholders in the forthcoming 24th Annual General Meeting by way of Special Resolutions.

None of the Directors other than Mr. Imran Contractor, Mr. C. Narasimhan and Mr. S. Sridhar, nor any Key Managerial Personnel or their respective relatives are, in any way interested in the Resolution at Item No.6 to 8 of the Notice.

ITEM NO.9.

Increase in Borrowing Powers

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 Company 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 23rdd Annual General Meeting held on June 2, 2018 by which the Borrowing limit was increased to ₹ 3,200 Core.

Considering the growth in business and operations of the Bank, opportunity to raise attractive borrowings as per the recent guidelines of the RBI on Issue of Long Term Bonds by Banks for financing including that of Infrastructure and Affordable Housing, relaxation in 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.

Your Board recommends the resolution at Item No.9 of the accompanying Notice for the approval of the Members of the Bank by way of a Special Resolution.

None of the Directors or Key Managerial Personnel of the Bank or their respective relatives is concerned or interested in the passing of the Special Resolution at Item No.9.

ITEM NO.10

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

The Bank has been borrowing funds 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 Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, and other applicable laws, from time to time.

In terms of Section 42 of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, the Bank is permitted to make a 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 nonconvertible 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 year. While the shareholders had passed a special resolution at the last Annual General Meeting (AGM) held on June 2, 2018. In case the Bank needs to or gets an opportunity to raise such funds hereinafter during the period of about one year from the forthcoming AGM, it will require shareholders' fresh approval at that time which could be time consuming. Hence it is proposed to seek approval of the Members once again in the forthcoming 24th AGM which shall be valid for one year from the date of the Shareholders' approval.

Further, considering the features of the revised guidelines issued by the RBI on issue of long term bonds/ Basel III Tier I /Tier II bonds and the fact that these bonds will also assist the Bank in reducing asset liability mismatches, the Board of Directors has proposed to obtain the consent of the Members of the Bank for borrowing/ raising funds in Indian/ foreign currency by issue of debt securities pursuant to the relevant provisions of the applicable circulars or guidelines issued by the RBI, up to ₹ 500 Crore (Rupees Five Hundred Crore only) in aggregate, for additional Tier I and Tier II capital, in one or more tranches in domestic and /or overseas market, as per the structure and within the limits permitted by RBI and other regulatory authorities, to eligible investors on private placement basis, on such terms and conditions as the Board of Directors or any committee(s) thereof or such other persons as may be authorized by the Board, from time to time, determine and consider proper and appropriate for the Bank. This would form part of the overall borrowing limits under Section 180(1)(c) of the Companies Act, 2013. The Resolution under Section 42 of Companies Act, 2013 shall be valid for a period of one year from the date of passing of this resolution.

The pricing of the debt securities referred above depends primarily upon 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 investor regulations, which enable investments in such instruments.

Further, debt securities would be issued for cash either at par or premium or at discount to the face value depending upon the prevailing market conditions, as permitted under the applicable laws.

Accordingly, the approval of Members is being sought by way of a Special Resolution as set out at in Item No. 10 of this Notice for borrowing / raising funds in Indian / foreign currency by issue of debt securities on private placement basis.

Your Board recommends the Special Resolution, as set forth in Item No.10 of this Notice for approval by the Members of the Bank.

None of the Directors or Key Managerial Personnel or their respective relatives is concerned or interested in the passing of the Special Resolution at Item No.10.

ITEM NO.11

Amendments in the Object Clause of the Memorandum of Association of the Bank

The amendments in the Object Clause of the Memorandum of Association of the Bank as set out in Agenda item no. 11 were approved by Shareholders in the last AGM held on June 2, 2018 except a para *"The above Objects of the Company as provided in III (A), III (B) and III (C) shall be within the scope and ambit of the Banking Regulation Act, 1949 and shall not be inconsistent with the relevant statutes and the circulars / instructions / guidelines issued by the Reserve Bank of India from time to time including conditions imposed while issuing banking license"* subsequently suggested by RBI vide letter dated November 1, 2018 to insert after the existing Clause 57 under Clause (C) of the Memorandum of Association of the Bank. Therefore the said amendments including the para suggested by RBI is once again being placed before shareholders for their approval.

A copy of the existing and the proposed Memorandum of Association is available on the Bank's website at http://www.dcbbank.com/cms/showpage/page/for-shareholder for perusal by the Members and is also available for inspection of the Members at the Registered Office of the Bank between 10.00 a.m to 3.00 p.m on all working days upto May 31, 2019.

Your Directors, recommend the passing of the Special Resolution set forth in Item No. 11 of this Notice for the approval of the members.

None of the Directors nor Key Managerial Personnel and their relatives is, in any way, concerned with or interested, financially or otherwise, in the Resolution at Item No. 11 of this Notice.

Place: Mumbai
Date: April 18, 2019
CIN:L99999MH1995PLC089008

By Order of the Board of Directors
DCB Bank Limited

Rubi Chaturvedi
Company Secretary

Registered Office:
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

DIRECTORS' REPORT

Your Directors are pleased to present the Twenty Fourth Annual Report of DCB Bank Ltd (hereinafter referred to as the Bank/Your Bank/DCB Bank) together with the audited accounts for the year ended March 31, 2019.

In FY 2019, the Bank has posted an Operating Profit of ₹ 646.60 crore (FY 2018 ₹ 524.97 crore) and a Net Profit of ₹ 325.37 crore (FY 2018 ₹ 245.34 crore).

Total Assets have increased by ₹ 5,569.74 crore and reached ₹ 35,791.83 crore as on March 31, 2019 (₹ 30,222.09 crore as on March 31, 2018).

Customer Deposits have increased by ₹ 5,173.94 crore and Advances have increased by ₹ 3,231.31 crore. Your Bank has been contributing significantly 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 3.83% in FY 2019 as compared to 4.16% in FY 2018 and the Current and Savings Accounts (CASA) ratio stood at 23.9% as on March 31, 2019.

Cost to Income Ratio has decreased to 56.9% in FY 2019 from 59.8% in FY 2018. Total Branch network stood at 333 as on March 31, 2019 (318 as on March 31, 2018) and ATM network was 504 as on March 31, 2019 (533 as on March 31, 2018).

Provisions Other Than Tax have increased to ₹ 140.06 crore in FY 2019 from ₹ 138.80 crore in FY 2018. The increase was mainly due to provision for existing and fresh Non Performing Assets (NPA) slippages, higher Floating provision and provision against Standard Assets.

Gross NPAs have increased to ₹ 439.48 crore as on March 31, 2019 from ₹ 369.03 crore as on March 31, 2018. Consequently Gross NPA Ratio as on March 31, 2019 was 1.84% as compared to 1.79% as on March 31, 2018. Net NPAs have increased to ₹ 153.77 crore as on March 31, 2019 as against ₹ 146.72 crore as on March 31, 2018. Consequently Net NPA Ratio as on March 31, 2019 was 0.65% as compared to 0.72% as on March 31, 2018. The overall NPA Provision Coverage Ratio as on March 31, 2019 was 78.77 % (75.72% as on March 31, 2018).

Return on Assets (RoA) Ratio in FY 2019 was 0.99% as compared to 0.94% in FY 2018. Corresponding Return on Equity (RoE) Ratio in FY 2019 was 12.08% as compared to 10.31% in FY 2018.

Capital Adequacy Ratio (CAR) under Basel III as on March 31, 2019 stood at 16.81% (16.47% under Basel III as on March 31, 2018).

FINANCIAL SUMMARY

(₹ in Crore)

Balance Sheet	**As at March 31, 2019**	**As at March 31, 2018**	**Increase / (Decrease)**
Customer Deposits	24,046.06	18,872.12	5,173.94
Inter Bank Deposits	4,389.05	5,134.74	(745.69)
Total Deposits	28,435.11	24,006.86	4,428.25
[Including Total CASA]*	*[6,809.90]*	*[5,840.32]*	*[969.58]*
Advances	23,568.00	20,336.69	3,231.31
Gross – NPA	439.48	369.03	70.45
Net – NPA	153.77	146.72	7.05
Provision for Standard Assets**	97.11	89.65	7.46
Total Assets	**35,791.83**	**30,222.09**	**5,569.74**
Profit & Loss	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**	**Increase / (Decrease)**
Net Interest Income	1,149.29	995.43	153.86
Non Interest Income	350.16	310.27	39.89
Total Operating Income	1,499.45	1,305.70	193.75
Operating Cost	852.85	780.73	72.12
Operating Profit	646.60	524.97	121.63
Provisions	140.06	138.80	1.26
Net Profit Before Tax	506.54	386.17	120.37
Tax	181.17	140.83	40.34
Net Profit After Tax	**325.37**	**245.34**	**80.03**

*Current and Savings Accounts (CASA)

**Including provision for unhedged foreign currency exposure and provision for specific Standard Assets

DIVIDEND

Your Board is pleased to recommend a dividend of ₹ 1.00 per equity share of ₹ 10.00 each in respect of Financial Year ended March 31, 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

The present government has taken several unique, structural and progressive steps in the last few years. Assuming conducive domestic and global environment, India is poised for solid economic growth. Interest rates are expected to decline or remain stable, therefore credit growth can be expected to be higher than the previous year. As usual, monsoons will be one of the key factors for determining demand and economic activity. Further, the recent upgrade in India's Sovereign Rating by Moody's to Baa2 with stable outlook, the bank recapitalisation plan by the government and resolution of stressed loans under Insolvency and Bankruptcy Code are likely to facilitate investment and momentum.

VISION

The Bank's vision is to be the most innovative and responsive neighbourhood bank in India serving entrepreneurs, individuals and businesses. In line with our vision, we began implementing a new strategy in FY 2010, which has now completed 9 years. The Bank continues to make steady progress and improvements are clearly visible in all areas of its business. In order to accelerate the business momentum further, in October 2015, the Bank announced its plan to increase its network by 150 more branches in 24 months. This plan was successfully completed by October 2017 and the total number of branches as on March 31, 2019 stood at 333. In the next 2 to 3 years the Bank is likely to open around 15 to 20 branches per year.

TARGET MARKET

Keeping in view its inherent strengths, branch network and expertise, the Bank's target market is mainly small business owners / self-employed / small business segment (traders, shopkeepers, business owners, MSMEs and SMEs). The Bank has chosen to have limited presence in the salaried segment. 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 resilient 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. In the long run, Goods & Service Tax (GST) and other reforms are expected to be beneficial to the economy. If MSME/SMEs reflect their business/sales completely in their bank accounts, then banks will find it easier to extend credit facilities for business expansion and working capital.

Some useful information on the MSME sector is given below:

- Number of Working Enterprises: 63 million, Employment: 111 million individuals
- Urban: 49%, Rural: 51%
- Manufacturing: 32%, Trade 35%, Other Service: 33%
- Sole Proprietor: 96%

(Source: Annual Report FY 2017-18 Government of India, Ministry of Micro, Small and Medium Enterprise)

DCB BANK CUSTOMERS

Your Bank provides banking services to a varied base of business owners, self-employed / small businesses for example – Commodity Trader, Gold Trader, Vegetable Trader, Commission Agent, Retailer, Restaurant Owner, Caterer, Baker, Vending Machine Supplier, Consultant, Doctor, Contractor, Interior Decorator, Software Designer, Salon, Beauty Parlour, Printer, Electrical Engineer, Saw Mill, Flour Mill, Rice Mill, Grocery Store, Brick Maker, Builder, Fabricator, Artist, Writer, Auto Repair, Ship Repair, Pharmacy, Computer Specialist, Furniture Maker, Uniform Maker, Garment Shop, Fashion Tailor, Hardware Shop, Agri Processor, Pesticide Dealer, Auto Dealer, Scrap Dealer, Stationery Supplier, FMCG or Consumer Goods Dealer, Tool Maker, Agri Input Dealer, Tractor Dealer, Plastic Manufacturer, Mattress Manufacturer, Water Supplier, Computer Training Classes, Internet Café, Coaching Classes, Tour Operator, Hotel Owner, Transporter, Ticketing Agent, C&F Agent, amongst others. The list of Self Employed occupation is endless. The target market is essentially Micro, Small and Medium Enterprises both in Manufacturing and Services. (Please refer to MSMED Act, 2006). Majority of lending to MSME sector qualifies for Priority Sector Lending.

A major share of deposits and loans of the Bank are from the self employed segment.

CREDIT RATINGS

During the current year, CRISIL Limited upgraded the Bank's rating for Tier II Bonds (under Basel III) to CRISIL AA-/Stable and reaffirmed its rating on the Bank's Certificates of Deposit Programme and Short-term Fixed Deposit Programme at CRISIL A1+. The Bank continues to enjoy ICRA A+ (hyb)/ (stable) rating for Basel III Compliant Tier II Bonds Programme and ICRA A1+ rating for Short Term Fixed Deposits Programme and CARE A1+ for Short Term Bank Facilities.

AWARDS

Your Bank continued to be recognized for its progress and initiatives in various functions.

Corporate Social Responsibility (CSR)

1) CSR Summit & Awards of UBS Forum, BFSI Category - DCB Bank was awarded for the project 'Participatory Natural Resource Management along Watershed Lines in the Tribal Belt of South Rajasthan'.
2) Bombay Chamber Good Corporate Citizen Awards 2018 – Winner under Banking & Finance Companies category.
3) Asian Customer Engagement & Forum - ACEF Leadership Awards 2018, Excellence in CSR, Social Impact Awards - DCB Bank garnered Bronze for Best Environmental Behaviour Change Award - Project : Participatory Natural Resource Management along watershed lines in the Tribal Belt of South Rajasthan.

Human Resources

1) Asian Customer Engagement & Forum - ACEF HR & CSR Forum & Awards - Gold for Best in-house publication in the "Engagement and Communications" category.
2) Asian Customer Engagement & Forum - ACEF HR & CSR Forum & Awards - Silver for Best Employee Engagement Scheme in the "Organisational Awards" category.
3) DCB Bank continues to be Great Place to Work-Certified. This year DCB Bank Ltd has been recognized among India's 20 Best Workplaces in BFSI - 2019.

Information Technology

Your Bank's efforts in modernising technology and being in the forefront of innovation was recognised by many associations and forums.

1) Finnoviti 2018 Award for DCB Remit Initiative, in Innovation category by Banking Frontiers.
2) Top 20 BSFI Leaders Award at BFSI Innovation and Technology Summit by Exito.
3) BFSI Leadership Award at BFSI Leadership Summit by eLets.
4) Winner at BIG 50 BFSI Leaders Award Summit by Trescon.
5) NextGen Digital Leader Award at Technology and Innovation Summit by DataQuest.
6) Winner at "BIG CIO 100 Awards Summit" by Trescon.
7) Winner of "CISO Platform 100" Award by CISO Platform.

BRANCH EXPANSION / ATMs

The number of branches as on March 31, 2019 stands at 333 [Retail branches 189 and 144 branches in Agri and Inclusive Banking (AIB)]. In line with the stated strategy, approximately 20 percent of the branches are in rural areas and 25 percent in semi-urban areas. The branch expansion strategy which led to the opening of 150 new branches between October 2015 and October 2017, is now yielding results, with a very high proportion of the branches breaking even in less than 24 months from the start of their operations. The new branches have a common look and feel and they are designed to provide a unique, positive and seamless banking experience for the customer. The Bank has judiciously pruned ATMs which are financially less viable and it currently has 504 ATMs as on March 31, 2019 as compared to 533 a year earlier.

RETAIL BANKING

Retail Banking has taken up the initiative to make the best of neighborhood banking through (a) micro marketing initiatives focused on catchment areas and (b) continuous customer engagements. These engagements include discussions with tax experts, methods of adopting eco-friendly measures, raising civic awareness, blood donation forums, teaching the young good banking habits, assisting older SMEs bridge the digital divide, participating in neighborhood festivities, children painting competition and driving good health campaigns.

Our customers have varied financial needs at different points in time. They may have surpluses which they may want to invest prudently, deficits which they may want to tide over or cover risks and uncertainties of health, life and business. In order to cater to this, wherever possible, the Bank follows the principle of "all branches all products". It is a multi-product approach. This enables the branch to address nearly all the banking needs of customers in the catchment area. It also helps to improve productivity and service quality.

Mortgage and Micro Mortgage

Over the last few years, Mortgage lending has been the lead product of the Bank, primarily addressing the requirements of the self-employed segment. As far as possible, tailor-made solutions for home loans and business loans are offered to meet customer needs. These customers may use the loan for various purposes, such as, home purchase, home improvement, home repairs, business growth and personal expenses such as marriage, education etc. Mortgages and Micro Mortgages together contribute approximately 40 percent of Total Advances. The Bank has engaged with various reputed builders for approval of their projects for home loans. Most of the retail and AIB branches offer Mortgage and Micro Mortgage loans. Micro or small ticket mortgage loans are most useful for customers in the Tier 2 to Tier 6 locations. The Bank has been able to increase its footprint in the micro mortgage segment. Many people in the rural and semi-urban areas generate informal income derived from small activities or trade. At times, this creates difficulty in estimating repayment capacity. Therefore, the Bank needs to have the ability to assess the household income in order to determine the loan eligibility. For almost every loan, personal discussions are held with the borrowers and co-borrowers to improve credit assessment. Further, most of the micro loans qualify under the PSL norms of the RBI. As part of The Government of India's Pradhan Mantri Awas Yojana scheme, during the year, the Bank has processed the subsidy applications for many home loan borrowers and subsidy has been credited to the customer's loan account for 835 customers.

Construction Finance (CF)

Housing is a necessity and an integral part of the construction sector, thus an important contributor to the growth of our economy. The present government's various programme/initiatives for providing affordable housing to both rural and urban areas and regulation of real estate industry will increase the demand for housing across country. This will create favourable conditions for construction of affordable housing in India. For banks, financing construction is a good opportunity. The Bank's approach is to focus on reputed builders with a strong track record who are primarily focussed on the affordable housing segment. The implementation of Real Estate (Regulation and Development) Act, 2016 in most states has improved the Bank's ability to monitor the cash flows of funded projects, thereby improving the outlook for financing the development of real estate projects. Thus far, the Bank has financed over 125 projects across 19 locations in India.

Commercial Vehicle (CV)

CV financing was restarted in FY 2013 to improve the Bank's ability to achieve PSL targets set by RBI. The facility is currently offered across 195 locations. Almost 95% percent of the CV portfolio can be categorised as PSL. Although economic conditions were weak during the year, the portfolio quality has been maintained at an acceptable level. The CV industry is an essential part of the Indian economy and in the coming years, the Bank foresees an opportunity to build a strong CV portfolio.

Loan against Gold

Loan against Gold is offered in almost all Retail and AIB branches across the country. In FY 2019, in order to further improve the customer experience and reduce turnaround time for customers, the gold valuation process has been in-housed in select branches on a pilot basis. The in-house valuation process will be rolled out across the country in the near future. The Loan against Gold front end system "Gradatim" enables us to offer a paperless platform for Gold Loan processing, thereby making the customer and employee experience delightful. Our "One Hour Gold Loan" process continues to delight our customers. The Bank has many unique gold loan products. Our objective is to build a strong portfolio across the footprint.

Bharat Bill Payment System (BBPS)

BBPS offers integrated, interoperable and anytime anywhere bill payment service for the convenience of the bill payers across India. It facilitates seamless payment of bills through both digital and physical channels and empowers banks to operate the bill payment ecosystem.

DCB Debit Cards

The Bank offers cashback benefits for using its Debit Cards subject to maintaining prescribed average balance in CASA. At the end of FY 2019, the Bank had approximately 500,000 Debit Cards. The overall focus on "Digital India" is helping to increase digital transactions rapidly. DCB Debit Cards also offer additional promotional benefits from time to time.

DCB NiYo Cards

Your Bank has launched DCB NiYo Cards in partnership with Finnew Solutions Pvt. Ltd. DCB NiYo Card has the capability to provide seamless compliant payroll benefits to employees. The product has the potential to simplify the human resource payroll processes of any organisation.

DCB Moneykit Cards

DCB Moneykit Cards was launched in January 2018, in partnership with Sienna Systems Resources Pvt Ltd. This is a distinctive proposition wherein loans get disbursed instantly for purchase of consumer durables or any other merchandise. The card has the unique feature of money on swipe, wherein the customers pay only when the loan limit is utilised.

DCB Payless Cards

This is a unique product offered by the Bank and is a preferred card for those self-employed and small businessmen who are unable to provide sufficient income proof or do not have an acceptable credit track record.

DCB Bank Prepaid Cards

DCB Bank has full suite of payment products on its prepaid platform. It has a platform for product providers and businesses with small ticket transactions that are currently conducted in cash. It helps drive adoption of digital payments and the platform covers solutions across Card, Mobile and a combination of Card and Mobile.

Bharat QR (BQR)

BQR is a convenient and cost effective Mobile payment solution designed especially for your Bank's small merchants and shopkeepers. BQR is printed on an attractive DCB branded sticker and is placed at high visibility areas in the store so the customers could scan and make mobile app based payments directly settling into the account of the storekeeper held with DCB Bank.

DCB Unified Payment Interface (UPI):

UPI payment and acceptance channel empowers customers to link their multiple bank accounts in a single UPI enabled mobile app, this makes fund transfers instant and convenient. Your Bank has more than 50,000 account holders using UPI channel. Your Bank is in the forefront adopting all the new developments and updates made available on the UPI channel for the security and ease of users.

DCB Remit

"DCB Remit" allows resident individual to send money abroad online from India to over 20 countries including USA, Canada, Australia, UK, UAE and Germany. The transactions can be tracked on mobile phone or on internet. Also, the Bank has signed an agreement with "Instarem" for outbound money transfers to individuals from India.

Insurance and Mutual Funds

The Bank has corporate agency for life insurance, health insurance and general insurance and has tie ups for referring/distribution of mutual funds. The main intention of the Bank is to deepen relationship with both deposit and loan customers while enhancing fee income. In case of death or critical illness, lack of adequate insurance coverage can cause major financial stress to the family. Keeping this in mind, the Bank strives to make customers aware of their insurance needs and take informed decisions.

Traditional Community Banking

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

Non-Resident Indian (NRI) business

In FY 2019, NRI deposits contributed to 8.6% of the Total Retail Deposits of the Bank. During the year, 1,602 NRI customers were sourced and 2,616 NRI accounts were opened. The Bank now has close to 15,000 customers across 134 countries of the world. The Bank has a dedicated team of Relationship Managers (RMs) and Customer Care Associates in the call centre to address the needs of NRI customers. The Bank intends to continue to build its NRI business as it is an important source for deposits and remittance fee income.

COLLECTIONS AND RECOVERIES

Collections and Recoveries is a critical function for the Bank. Over time, this function has developed robust capabilities to collect overdue payments and ensure portfolio quality across products. The senior officers in Collections are experienced to understand the issues faced by customers and strive to find legal and compliant ways to rehabilitate them during stressed times. The team operates out of 245 locations in India. Collections and Recoveries team uses data analytics to improve predictability, targeting and collector productivity. The m-Collect Mobile App for providing system-generated receipts on the field is working efficiently and provides real time updates to the loan system.

STRATEGIC ALLIANCES

One of the key strategies of the Bank is to look for alliances with entities that may have similar business objectives. The idea is to enhance product benefits in order to facilitate new customer acquisitions and customer retention. Over time we expect stronger customer loyalty and increased fee income.

The list of various strategic alliances and business associations of your Bank is given below;

Bancassurance:

Partner Name	Type of arrangement
Aditya Birla Health Insurance Company Ltd.	Corporate Agency
Aditya Birla Sun Life Insurance Company Ltd.	Corporate Agency
HDFC Standard Life Insurance Company Ltd.	Corporate Agency
ICICI Lombard GIC Ltd.	Corporate Agency
Royal Sundaram General Insurance Company Ltd.	Corporate Agency

Prepaid Solutions:

Partner Name	Type of arrangement
Muthoot Finance Limited	Prepaid Solution
Hero Fincorp Limited	Prepaid Solution
EQX Analytics Private Limited (Stashfin)	Prepaid Solution

Remittance Solutions:

Partner Name	Type of arrangement
Avenues Payments India Pvt. Ltd. (DCB Remit)	Remittance Platform Solution
INSTAREM India Pvt. Ltd.	Remittance Solution

Service Partners:

Partner Name	Type of arrangement
Atos Worldline India Pvt. Ltd.	Merchant Acquiring
CMS Info Systems Limited	ATM deployment and cash management
Euronet Services India Pvt. Ltd.	ATM and Switch management
M2P Solutions Pvt. Ltd.	Program Partner (Prepaid programs)
Skilworth Technologies Pvt. Ltd. (Bijlipay)	Merchant Acquiring

Business Alliances:

Partner Name	Type of arrangement
Aditya Birla Finance Ltd.	Lending Business

Fintech Alliances:

Partner Name	Type of arrangement
Finnew Solutions Private Limited (NiYo)	Digital Salary Account
Sienna Systems Resources Pvt. Ltd. (Slonkit & Moneykit)	Money Management Solution

MSME and SME

The MSME and SME segment is large, ubiquitous and growing. This segment is the core target market for your Bank. With GST implementation well and truly underway, this segment is seeing increasing participation from a wide spectrum of lenders right from fintechs to established banks. The Bank strives to be the business partner of MSMEs/SMEs by offering custom made solutions to meet the financial demands of this segment. The Bank offers a range of products and personalized services including Foreign Exchange, Cash Management, Trade Finance, Invoice Financing and Internet Banking which provide the customer both higher value and increased convenience. Given the inherent risks associated with this segment the Bank continues its strategy of having a large portfolio of small ticket exposures.

CORPORATE BANKING

The Bank's intention is to have a limited exposure in Corporate Banking. This business operates across India with regional offices in Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Kolkata and Mumbai. The business 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 loan portfolio and creating long term relationships with high quality large and mid-corporates. Regular review exposures are conducted with the aim of initiating timely action in case of any emerging risks. In order to ensure the quality, the focus of attention is to improve continuously understanding of the borrower's business/prospects, ensuring the right mix of products, enhance analytics and tracking. The Corporate Banking portfolio quality remained stable during the year.

In FY 2019, the Bank added 24 new relationships in Corporate Banking. The unit improved on capital efficiency by optimising risk weighted assets utilisation in the portfolio and adopted differentiated risk based pricing with focus on Return on Equity. The unit also responded to the market conditions of liquidity and segment stress by quickly reducing exposures and tenor. This also helped in reducing concentration risks both at customer and segment level. Your Bank understands that the Relationship Managers (RMs) must have in-depth knowledge of various industries and corporates. The Bank on an ongoing and continuous basis invests in knowledge improvement through training programs.

AGRI AND INCLUSIVE BANKING (AIB)

AIB is a separate unit with the main aim of achieving financial inclusion, PSL and enhancing rural/semi urban footprints. At the end of March 2019, AIB had 144 branches in 10 states of India. There are many opportunities to offer simple innovative products backed by superior technology in the rural/semi-urban areas. Some of the new branches are located 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 2019, your Bank actively participated in PMJDY. The Bank had 31,612 PMJDY accounts as on March 31, 2019. 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 7,214 customers under PMSBY; 3,323 customers under PMJJBY and 1,347 customers in APY as on March 31, 2019.

BSBDA (Basic Savings Bank Deposit Account)
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 53,095 BSBDA accounts as on March 31, 2019.

Kisan Mitra
"Kisan Mitra" as the name suggests, is a liability product, which fulfils the requirement and enhances the saving 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 Average Quarterly Balance maintenance charges.

Retail Agriculture Loan and Kisan Credit Card
In order to meet the credit needs of the farmers, the Bank has several retail agri products namely Kisan Credit Card which provide for short term requirement like purchasing seeds, fertilizers, pesticides, manure, irrigation, long term loan for animal husbandry, and loans for investment purpose like land improvement, irrigation and hi-tech agriculture.

Tractor Loans
Tractor Loans is an integral part of the total agricultural equipment sector and is an indirect indicator of growth in the agricultural sector. The Bank has slowly built its business across Tier 2 to Tier 6 branches. Providing tractor loans helps the Bank to partly meet PSL targets for agriculture and small and marginal farmers set by the RBI. This year your Bank has started used tractor finance, which would benefit small & marginal farmers who cannot afford new tractors.
For Tractor Loans, the Bank has a Tab Banking where the sales team can provide doorstep processing to the customers and quickly inform them regarding the status of their loans.

Microfinance Institutions (MFIs) and Business Correspondents (BCs)
The Bank lends directly to MFIs who in turn lend to end borrowers. Over time, the Bank has created a strong network of MFI relationships across India. The Bank is also providing unsecured loans through BCs in few states. Loans are given to members of Self Help Groups (SHGs) and Joint Liability Groups (JLGs) for activities thereby enabling them to avail small loans from the banking sector instead of high cost borrowing from money lenders. These loans are primarily provided to small farmers and weaker sections mainly in rural areas. In order to support volume growth, your Bank has an efficient software system for managing BC Loans. This software helps maintain adequate information about the borrowers under SHGs and JLGs. It provides a common platform for both, Bank and BC for smooth processing of loans and has added immense value by reducing the loan disbursal cycle time In FY 2019, the MFI industry has shown a positive growth along with better portfolio quality. The Bank has always adopted a cautious approach towards this sector and it is taking several steps to maintain portfolio.

TREASURY, MONEY MARKET AND FOREIGN EXCHANGE

Treasury
Treasury actively manages Liquidity, Fixed Income Securities Trading, Investments in Equity through Initial Public Offers (IPOs) and Foreign Exchange. Treasury is responsible for ensuring compliance with regulatory requirements such as Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR). In FY 2019, the Bank made gains in a cautious manner by utilizing the trading opportunities in G-Sec presented by declining interest rates in the second half of the year. The Bank selectively invested in a few Equity IPOs and booked moderate listing gains. The Bank also invested in medium term AAA Corporate bonds and Units of Liquid Mutual Funds in order to earn interest income on liquidity mismatches.

Money Market
India reported average Gross Domestic Product (GDP) growth of 7.20% p.a. for the period April to December 2018. The GST collections have been robust. The Index of Industrial Production (IIP) growth recovered on the back of growth in the manufacturing, electricity and mining sectors. The Consumer Price Index (CPI) inflation came down from a high of 5.0% in July 2018 to 2.57% in March 2019. The RBI conducted variable rate Reverse Repo/Cash Management Bills to soak up excess liquidity and Open Market Operations (OMOs) to infuse liquidity whenever required. Indian stock market indices went up by more than 12% on the back of improving macroeconomic conditions in the second half of the FY2019 after seeing a steep fall initially which could be attributed to rising crude oil prices, falling Rupee and rising US Yields

Foreign Exchange
As usual, a few geo-political events in FY 2019 affected the global and Indian markets. This included a strong stance taken by US Fed on hiking interest rates and a range of measures announced by both US policy makers and European policy makers. US imposed sanction on Iran which resulted in higher crude oil prices which moved up from $64/ barrel to $ 86/barrel before cooling off to $66/ barrel after US intervention and Saudi Arabia increasing supplies. The Rupee moved in tandem with fluctuating Oil prices. Uncertainties remained around the Brexit deal. FII's have been net sellers of Indian Equity and Debt in FY 2019.

TRANSACTION BANKING

Cash Management Services (CMS)
The Bank provides Corporates, MSME/SME and Retail customers sophisticated and cost effective CMS. This helps customers manage their collection and payment logistics with ease. In the last few years, the Bank has steadily increased CMS customers. The Bank added one new vendor for CMS cheque collections taking the total to 18 vendors pan India. The Bank has upgraded the CMS system for both payments and collections making it rich in features. At the end of FY 2019, the Bank had 7,094 active customers using the CMS facility.

Business Internet Banking (BIB)
The Bank offers state-of-the-art BIB product 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 2019, BIB facility is availed by 32,131 users.

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 is exposed to credit, concentration, market, country exposure, liquidity, operational, fraud and reputation risk. The Board of Directors of the Bank has oversight of all the 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 unit 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 taking into account geographic nuances. The Bank has implemented a rating model that takes into account both quantitative and qualitative factors and produces a rating that becomes one of the key inputs to credit decisions. One of the focus areas for the Credit function was improving productivity and customer experience. In order 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, continuously monitors portfolio concentrations by segment, ratings, borrower, group, sensitive sectors, unsecured exposures, industry and geography. The Bank adopts a conservative approach within the regulatory prudential exposure norms.

Market Risk

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

The Bank has established specific country exposure limits which is capped at 1.5% of Total Assets. 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.

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 in these accounts. The renewal pattern and premature withdrawals of Term Deposits and drawdowns of un-availed credit limits are also captured through behavioural studies. The liquidity profile is estimated on an active basis by considering the growth in Deposits, Advances and investment obligations. The concentration of large deposits is monitored on a periodic basis. Emphasis has been placed on growing Retail deposits and avoid as far as possible bulk deposits. The Bank periodically conducts liquidity stress testing.

Operational Risk

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

Process Review

Your 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). New products and processes are subjected to review by MCAP. The Committee is tasked with identifying operational and compliance risks in new products/processes and ensuring that steps are taken to mitigate the risks. Also, MCAP, on an on-going basis reviews existing processes for further improvement. In the FY 2019, 122 products/processes were reviewed by MCAP.

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.

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 on its risk management systems and practices to align them with international best practices. The Bank has implemented Standardized Approach for Credit Risk, Standardized Duration Approach for Market Risk and Basic Indicator Approach for Operational Risk.

INFORMATION TECHNOLOGY (IT)

The banking landscape is changing rapidly. Existing models and approaches are being challenged every day. Customers are demanding high level of digitisation. Your Bank has taken many initiatives to keep pace with the changes. It has created a detailed and dynamic "digitisation" plan that is being executed in a systematic manner. The intention is to meet / exceed customer expectations by taking

advantage of the digital revolution. During FY 2019, the Bank implemented many new applications and upgrades.

1) API Banking – this is the future of banking. The Bank tied up with partners to offer "frictionless" banking experience.
2) Fraud Risk Management – a new advanced system to monitor and identify fraudulent activities in various channels
3) Zippi Plus – end to end digital online Term Deposit solution for customers
4) SME Platform – end to end SME lending platform developed in-house. This system helps to improve customer experience and staff productivity
5) Branch Locker Module – automated and efficient solution replacing existing manual processes.
6) Mobile Solution for Commercial Vehicle – a smartphone solution for efficient capture of leads and KYC / CIBIL checks.
7) Bank Statement Analyser – automates cumbersome paper based analysis, saves time and improves accuracy.
8) e-NACH –automation of mandate management that facilitates ease of information exchange and reduces overall processing time.
9) DBSA DCB Delight – an insta-kit for immediate on-boarding of small Current Accounts
10) PPA (PFMS Print pay Advice) (Public Financial Management System) - a platform for e-payment of subsidy under Direct Benefit Transfer (DBT) to both Aadhaar based and non- Aadhaar based bank accounts through NPCI. The Bank has implemented PPA payments module through PFMS for the beneficiaries covered under these schemes.
11) Near DR setup of critical applications – to protect data of critical applications in real-time a near DR setup as third data center has been created. A powerful "2 GBPS" dark fiber direct connectivity has been configured between Primary DC and Near DR for real time replication of data.
12) SWIFT Upgrade and STP Implementation – implemented STP between core banking and SWIFT. The Bank has also upgraded SWIFT version and implemented dual factor authentication for user login.
13) Big Data – implemented a scalable, contemporary and robust framework to handle the four V's of data namely Volume, Variety, Velocity and Veracity. In FY 2019, the Bank has replaced 47 existing MIS reports with Big Data capabilities giving instant, accurate and rich information.

OPERATIONS

The Bank's focus is on creating a "Centre of Excellence" at Operations by delivering delightful experience to customers. This was achieved by in-sourcing major activities resulting in improved cycle time and reduction in errors. The Robotic Process Automation (RPA) was also used for automating various manual processes. During FY 2019, the enhanced version of NACH platform was implemented which has various features offered by NPCI.

INTERNAL AUDIT (IA) AND VIGILANCE

IA continued to be the effective tool of control and compliance in your Bank. The team comprises of professionals, experienced bankers and domain experts. Every year IA inducts and grooms newcomers with audit and finance background to strengthen the IA capacity. The IA team functions under the able guidance of Audit Committee of the Board (ACB), which reviews the Audit Charter/Manual on an annual basis and ensures that IA has put in place a detailed risk assessment and audit planning process. On a pilot basis, a centralised Continuous Monitoring System has been implemented to help identify control issues as early as possible.

In FY 2019, IA conducted 171 branch audits, 28 periodic audits, 7 compliance audits, 4 snap audits and 6 IT audits. In order to further improve effectiveness, the Bank has started in-housing Concurrent Audits in a phased manner.

The Vigilance unit is a small high quality team. Vigilance reviews "alerts" received from various sources to identify issues and control potential frauds. In order to further enhance fraud control mechanisms, a new software "Fraud Risk Monitoring" has been introduced. The Vigilance team has been streamlining the process of identification and updating list of undesirable individuals and entities, on a continuous basis, to prevent them from entering into the banking system.

COMPLIANCE AND RISK BASED SUPERVISION BY THE RBI

The Bank's Compliance unit is independent of its business and operation functions. It has created detailed procedures to ensure compliance with all applicable regulations. In addition to ensuring timely submission of various returns to regulatory and statutory authorities, the Compliance unit also ensures that the Bank's internal procedures and processes are in adherence with the applicable regulatory and statutory guidelines. The Compliance unit is also responsible for AML / KYC monitoring and for executing the same, the Bank relies on advanced software and analytics. The Bank is a member of Banking Codes and Standards Board of India (BCSBI). The Bank is covered under the Banking Ombudsman Scheme of the RBI wherein escalated customer complaints received through the Office of the Banking Ombudsman are addressed under a well-defined Customer Grievance Redressal mechanism. To strengthen the internal grievance redressal system and to ensure that the complaints of customers are redressed at the level of Bank itself, to the extent possible, an internal Ombudsman has also been appointed in line with RBI guidelines. The Compliance function also has a separate unit for Compliance testing on an ongoing basis.

HUMAN RESOURCES (HR)

Your Bank strives to provide an environment where people can learn, grow and progress while delivering sustainable results for the Bank. The main focus is to create a unique caring culture and nurture talent for future business expansion and growth. Through sophisticated tools, training and intervention, continuous efforts are made to improve skill sets, team work, productivity, empathy and adherence to compliance and controls.

In FY 2019, the Bank's headcount went up to 6,134 (5,790 in FY 2018). There was an increase in hiring through our unique employee referral scheme "LINK" (i.e. 42% in FY 2019 v/s. 32% in FY 2018) and hiring through our internal job posting which went upto 50%. The candidate portal which was launched in the previous year has now

a database of more than 29,000 resumes. The Bank has an increasing following on LinkedIn. The Bank has made a lot of effort in building its brand with the young population through its campus interaction. "The Top Recruit" program continues to help us enhance our brand at Tier 3 and Tier 4 business schools in cities like Bengaluru, Delhi, Kolkata and smaller towns in Maharashtra.

The Bank continues to create a strong culture of learning through the Individual Learning & Development Scorecard (ILDS) spanning the entire employee life cycle. All new joinees undergo critical mandatory classroom training programs including an elaborate Induction module. More than 97% employees continued to get covered under at least one workshop or e-learning module. The Bank has revamped its online learning academy "LUMOS", with enhanced features, classroom management and mobility options which facilitates ease of learning. More than 80% of the employees used at least one learning module in LUMOS in FY 2019 as compared to 76% in FY 2018.

In FY 2019, over 4,000 employees across India were imparted direct training on our culture of Teamwork; coined as "CREW"(Collaborate, Respect, Encourage and Win). In addition to this, the Bank continued to focus on signature training programmes namely Global Leadership Development Programme, Budding Branch Manager, SPRINT, ASPIRE, and RISE which helped build the next cadre of leaders in our Bank. In FY 2019, eight high potential Senior Management team members participated in world class leadership programmes.

As part of the RBI's capacity development policy, the Bank has tied up with Moody's Analytics, a globally recognized certification agency to certify its employees on critical roles. The Bank has also tied up with Indian Institute of Banking Finance (IIBF) to certify employees for Audit & Compliance, Treasury Operations and Credit Appraisal ratings. A total of 490 Bank employees were certified in FY 2019 in partnership with the aforesaid agencies. The Bank created "Project Prayas" which was launched for improving knowledge and understanding of various regulatory and compliance circulars.

"Lead Generation" a sales centric training program, now in its second year has helped the Bank generate large amount of actual business and pipeline for the future. As part of growth and career management, 10% of the employees have been promoted through the Bank's unique annual promotion process In order to enhance the overall quality of the staff, a job evaluation process has been introduced for certain job categories.

S-PEAK survey continued into its third year with 99% employees participating in this unique initiative to provide feedback on their supervisors. The main idea of S-PEAK is to help supervisors to become better managers and deliver superior performance by using the pointers in the survey.

The Bank has been conducting an internal service poll (ESQ – Empathy, Speed and Quality, our pillars of service) for the past seven years which provides feedback on the level of service and support that all departments/units provide to each other. The poll results are collated, analysed and shared across all the units. The HR team organises stakeholder meetings to interpret the poll results and create action items for improvement. Ultimately, better Internal Employee ESQ will lead to improvement in customer satisfaction. Every year the Bank has been able to improve Internal ESQ scores.

"DCB Chaupal" and "Hour HR" (our signature live radio show) continue to help employees interact with the HR team and seniors directly. This year the Bank launched "Empowering CREW" (part of the teamwork culture initiative) to address any issues that can be resolved within units through mutual co-operation. . The employees are also engaged through various activities in the Bank via our quarterly newsletter, "High Decibel". On an annual basis the HR team conducts DCB Allympics, a mega sports event across the country. The Bank has a powerful and popular yearly program for employee recognition - "Movers & Shakers", where top performers and teams pan India are recognized for their contribution. This event also provides a unique opportunity to employees to showcase their talent in terms of singing, dancing, acting and playing any instruments as well.

STAFF PARTICIPATION IN CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Bank employees enthusiastically participated in Clean Up and Green Up (tree planting) activities around the branch neighbourhood. In FY 2019, over 700 employees pan India participated in CSR activities of the Bank availing the unique two days paid CSR leave per year. The Bank has identified CSR volunteers at various locations across the Bank. The activities executed range from lake clean up, waste management, habitat restoration, park clean up, tree planting, creating awareness amongst people on water conservation and waste management.

Trees are critical for human existence on earth. The world and our country urgently need a sustainable model that allows development without damage to the environment. As part of this thinking, the Bank facilitated planting of 118,137 trees during FY 2019. Extensive tree plantation was undertaken in the buffer zones of wildlife sanctuaries for mitigating climate change and improving the microclimate. Tree plantation activities create gainful employment especially tribal communities living in the periphery of the wildlife sanctuaries. As part of reducing water usage and reducing pollution the Bank has a program to install "waterless" urinals. In water starved regions, the Bank has CSR initiative to fix non-electric bio-sand water filters in village schools. In order to promote renewable energy, solar panel lighting was installed in remote tribal villages that cannot be connected with electricity grids. In FY 2019, the Bank was recognized for its CSR efforts:

1) CSR Summit & Awards of UBS Forum, BFSI Category - DCB Bank was awarded for Project Participatory Natural Resource Management along watershed lines in the Tribal Belt of South Rajasthan.
2) Bombay Chamber Civic Awards & Good Corporate Citizen Awards - 2018 for "Good Corporate Citizen Awards - Banking & Finance Companies".
3) Asian Customer Engagement & Forum - ACEF HR & CSR Forum & Awards- DCB Bank garnered Bronze for Best Environmental Behaviour Change Award - Project Participatory Natural Resource Management along watershed lines in the Tribal Belt of South Rajasthan.

CUSTOMER SERVICE

Customer delight and satisfaction with every banking interaction is central to the Bank's effort in building a strong business franchise across India. An established process followed rigorously, customer complaints and satisfaction levels are monitored by the Managing Director and Chief Executive Officer along with the Senior Management team. The Bank has constituted the Service Excellence team to analyse customer complaints, identify root causes, make suggestions for process improvements and works with the various business and service teams to adapt, adopt and implement processes and standards. The Bank has a "Centralised Complaint Management" system and rigorous standards to ensure that customer queries and complaints are not missed out and are resolved in a timely manner. The Bank continues to make steady progress on the concept of Power of Three - Empathy, Speed and Quality (ESQ) initiative launched eight years ago. The Bank continuously works on the six pillars of Service Excellence – Voice of Customer, Service Recovery, Attrition Calling, Process Simplification, Service Culture and Measures and Metrics. The Service Excellence team regularly conducts review of progress on six pillars with key stakeholders, weekly calls with frontline staff to obtain feedback, surprise visits to various units, customer meetings, focus groups and "mystery shopping" to understand frontline service culture and competence. The progress on Service Excellence is regularly monitored by the Customer Service Committee (CSC) of the Board.

NON-BRANCH CHANNELS

Your Bank provides multiple channels for customers to access the Bank. DCB 24-hour Customer Care Phone Banking, ATMs, Internet and Mobile Banking provide customers the means to view, transact and make service requests from anywhere and at any time. The Bank strives to provide best-in-class technology and service platform. In FY 2019, the Bank's Customer Care Associates attended to almost 17 lakh calls with one of the best "speed to answer" response time across the industry. At DCB Bank's 24 Hour Toll Free Customer Care, customers directly get connected with the customer care associates without having to go through seemingly endless Interactive Voice Response (IVR) menu. Considering the fact that it has an all India presence, the Bank has ensured that its customer care associate can interact with the customers in 8 languages (English, Hindi, Gujarati, Kannada, Marathi, Odiya, Tamil and Telugu). This helps in providing uninterrupted service to the customer in the language of their choice at all times.

The Bank provides state-of-the-art internet and mobile banking platforms to customers. More than one lakh customers have used the personal internet banking facility and more than fifty five thousand customers have used the mobile banking of the Bank.

MARKETING/BRAND AWARENESS

The Bank continuously undertakes numerous measures to create brand awareness and improve its brand presence and image. The Bank has a unique concept called "micro marketing". Low cost small scale promotions are held in the neighbourhood areas on a regular basis. In FY 2019, the Bank executed almost 8,000 micro marketing activities. In FY 2019, your Bank created and re-launched its various product communication in English and other Indian languages with the theme "Isse Mujhe Kya Milega" to promote its unique propositions in a very engaging fashion.

Like every year, as part of its culture to engage directly with customers and take their feedback in informal forums, the Bank conducted several customer events and mega musical programs. Customers were delighted to be part of the musical evenings and some even sang alongside the professional singers. The Bank also successfully conducted its 4th golf event with top Indian Navy personnel in Gurugram.

IND AS IMPLEMENTATION

The Ministry of Corporate Affairs (MCA), Government of India has notified the Companies (Indian Accounting Standards) Rules, 2015 on February 16, 2015. Further, a Press Release was issued by the MCA on January 18, 2016 outlining the roadmap for implementation of Indian Accounting Standards (IND AS) converged with International Financial Reporting Standards (IFRS) for banks. As per earlier instructions, banks in India were required to comply with the IND AS for financial statements for accounting periods beginning from April 1, 2018 onwards, with comparatives for the periods ending March 31, 2018 or thereafter. Progressing towards IND AS, the Bank had prepared proforma financials as on June 30, 2017 as per extant regulatory guidelines and submitted the same to the RBI. 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. In preparation for the same, the Bank has been submitting quarterly pro-forma financials to the RBI from quarter ended June 30, 2018.

On March 22, 2019, the RBI has announced deferment of the implementation of IND AS by banks till further notice.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE BANK.

Not applicable being a banking company.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

POLICY ON RELATED PARTY TRANSACTIONS OF THE BANK

The Bank has a policy on Related Party Transactions and the same has been displayed on the Bank's website:
http://www.dcbbank.com/pdfs/Policy_on_Related_Party_Transactions%20_2018_19.pdf

BUSINESS RESPONSIBILITY REPORT:

In terms of Regulation 34(2)(f) of the SEBI Listing Obligations and Disclosure Requirements (LODR) Regulations 2015, the Bank's Business Responsibility 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:

http://www.dcbbank.com/cms/showpage/page/for-shareholder

CORPORATE SOCIAL RESPONSIBILITY (CSR)

DCB Bank's CSR projects and activities are focused on water crisis, climate change and sustainability. The CSR thrust areas are - water and protection of water sources; recycling; waste management; renewable energy & waste-to-energy, protecting and preservation of archaeological and heritage sites in India.

The Bank achieved a milestone of 118,187 saplings planted in FY 2018-19 and surpassed the target of One Lakh saplings. The milestone was achieved with the help of DCB Bank staff volunteers, and CSR implementation partners. The Bank will continue the initiative on tree plantation along rivers, streams, ponds, lakes and green zones. Increasing the green cover improves bio diversity, aids the absorption of water into the ground, prevents soil loss and absorbs carbon. For communities abutting forest areas, trees also provide economic sustenance.

Communities in tribal hamlets, villages, schools and institutions of learning in rural areas are the locales where the Bank's projects reach. Tackling the water crisis is as much an urban issue, and the Bank's outreach touch institutions in urban areas such as Bengaluru, Chennai, Delhi, Hyderabad, Jaipur, Mumbai, Pune amongst other locations. It is heartening to note that the Bank's projects in the CSR field have been recognized by print and online media, peers in the CSR community, by the Bank's customers, and well-wishers at large. The CSR projects' underlying theme also are in consonance with the United Nations Sustainable Development Goals (SDG).

Awards & recognition conferred to DCB Bank CSR Projects in FY 2018-19:

1) **Awarded by Bombay Chamber of Commerce and Industry, Mumbai**
Recognized for 'Sustainable Environmental Initiatives' for CSR projects.

2) **Asian Customer Engagement & Forum - ACEF HR & CSR Forum & Awards, Mumbai**
DCB Bank awarded for Best CSR Project

3) **CSR Summit – UBS Forums, Bengaluru**
DCB Bank awarded for Best CSR Sustainability Project

India extracts a lot of ground water for farming and non-farming needs, the depletion of ground water is severe and the country is water stressed than ever before. The Bank's CSR thrust areas are aimed to work with communities that are hit by - the loss of forestland, unabated use of groundwater and rivers, unmanageable waste polluting our sources of water. The Bank's CSR activities focus on this crisis. The major CSR projects during the year were - installation of waterless urinals to stop wastage of water and reduce pollution of water, roof top rainwater harvesting and installation of non-electric bio-sand water filters in village schools in water-starved regions. Watershed development including water audit, tree plantation, desilting of village tanks and wells, creating percolation tanks, trenches and ponds in drought prone water starved villages are some other projects. Extensive tree plantation in the buffer zones of wildlife sanctuaries for climate change mitigation and improving the microclimate was undertaken; this also provided and will continue to provide gainful employment for tribal communities living in the periphery of the wildlife Sanctuaries. The Bank also propagated use of renewable energy by installing solar panels in remote tribal hamlets and village communities. The Bank also undertook development of butterfly parks as a means to increase the green cover and provide a haven for bio diversity. The recycling effort took an innovative approach with the Bank adopting t-shirts made from recycled PET soft drink bottles. The drive to reduce usage of plastic in our daily lives saw the Bank link up with a self-help group from Chembur, Mumbai, to fabricate 100% cotton recyclable carry bags. These bags are used by local delivery services of pharmacists, restaurants and provision stores. It is to encourage people to shun plastic carry bags.

Communication and messaging is an important supplement to drive the message of sustainable living. The Bank in a major outreach activity is using videos of the projects on social media. Moreover in a unique initiative, the Bank launched 'Ride for Good' with Ms. Shilpa Balakrishnan a renowned long distance motorcyclist. This initiative spread the message of Swachh Bharat, Clean India & Green India during her India record setting solo ride to the four corners of India. She covered 15,219 km in twenty-nine days, covering Mumbai to Kanyakumari to Leh to Kibithu (Arunachal Pradesh) to Koteshwar (Gujarat) to Mumbai. Enroute she visited schools, met customers at branches, addressed the DCB Bank employees and travellers. DCB Bank planted a sapling for every kilometre covered in the 'Ride for Good'. The journey was covered extensively in print media, both local and English language newspapers, FM radio and online social media to encourage people to step up and do their bit to protect trees, save water, segregate trash and give up plastic bags to save the environment.

Clean Up & Green Up! - STAFF PARTICIPATION IN CORPORATE SOCIAL RESPONSIBILITY (CSR)

DCB Social is the CSR employee volunteer formation that participate in Clean Up and Green Up projects and campaigns across India at locations having DCB Bank branch presence. DCB Social volunteers undertook tree plantation and habitat restoration projects at various locations such as lake restoration in Bengaluru, tree plantation at Anantapur, A.P., butterfly parks at Karnala and Jahwar in Maharashtra. Seven hundred and twenty nine (729) employee volunteers opted for the Bank's unique 2-day CSR leave policy. Employees volunteered for tree plantation in Andhra Pradesh, Gujarat, Punjab, Maharashtra, Rajasthan and Tamil Nadu and participated in clean-up activities as well as habitat restoration in various parts of India.

DCB Bank CSR volunteers have worked on CSR projects that range from local lake clean up; locality based waste management, natural habitat restoration and creation of nature parks. Tree plantation, tree count, propagation of fruit bearing trees in tribal villages to enhance long-term income earning capability are other employee initiatives.
The Bank has spent an amount of ₹ 3.87 crores (Previous year: ₹ 1.77 crores) in respect of CSR activities across the Country.

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR):

A Board level committee for CSR has already been in place as stated in the section on Corporate Governance. The report on CSR is given below:

Report on Corporate Social Responsibility (CSR) Activities during the FY 2018-19:

Sr. No.	Description	Particulars/Details
1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	Outline: CSR Activities shall mean all the Corporate Social Responsibility activities / programs / initiatives of the Bank, either ongoing or new, dealing with the activities mentioned in thrust areas. The activities shall conform to those specified in Schedule VII to the Act (as amended from time to time) and as recommended by the CSR Committee and approved by the Board. The Bank's thrust area is also in keeping with the Government of India's Swachh Bharat initiative. Thrust areas or activities ascribed to them are defined in the Policy, as amended by the Board, from time to time. Projects/ Programmes to be undertaken: CSR Thrust Areas for DCB Bank Thrust areas shall mean and include any one or more of the following CSR activities: a) Conservation of water / water storage / water usage / protecting water bodies b) Waste Management c) Recycling d) Promote waste-to-energy e) Promote start-ups f) Preservation of historical and heritage sites with in situ focus on water conservation, waste management, recycling and, or waste-to-energy. Project/s supported: The availability of potable water fit for both human consumption and agriculture faces severe stress. Day-by-day the situation turns grim, while mismanagement of waste and the general disinclination towards a sustainable lifestyle is cause for a waste crisis. Sustainable methods for preservation of water bodies is a dire need not only for the current generation but also for all times to come. The Water situation is a grave one despite the availability of technical knowhow on rainwater harvesting, water recharging structures, which can give small and marginal farmers a better quality of life and livelihood. DCB Bank's CSR Projects are at Amritsar, Punjab; Anantapur in Andhra Pradesh; Guntur in Andhra Pradesh; Karjat in Maharashtra, and other locations. DCB Bank CSR employee volunteers undertook various projects across locations across India, such as Ahmedabad, Bengaluru, Delhi, Chennai, Gurugram, Hyderabad, Mumbai & Pune, amongst other locations. The Bank's CSR thrust areas projects for FY 2018-19 are: a. Ground water resource development in acutely water starved villages in arid and drought prone regions c. Rooftop rainwater harvesting structures and bio-sand water filters for village schools. d. Renewable energy, solar power streetlights network for tribal villages and hamlets e. Waterless urinals to save precious water and prevent ground water pollution f. Recycling waste PET soft drinks bottles into t-shirts g. Creation of butterfly parks and green zones to promote bio diversity h. Sapling plantation in tribal areas, buffer zones of forests and rivers i. Bamboo sapling plantation in tribal areas Website link for DCB Bank CSR policy: https://www.dcbbank.com/pdfs/CSR_Policy_Approved_by_the_Board_on_17_01_2018_FINAL.pdf
2.	The Composition of the CSR Committee.	The members of the CSR Committee are Mr. Nasser Munjee (Chairman), Ms. Rupa Devi Singh, Mr. Imran Contractor, Mr. S. Sridhar and Mr. Murali M. Natrajan.
3.	Average net profit of the company for last three financial years (after adjusting for brought forward accumulated losses)	₹ 317.04 crores
4.	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)	₹ 6.34 crores
5.	Details of CSR spent during the financial year: a) Total amount spent for the financial year; b) Amount unspent, if any; c) Manner in which the amount spent during the financial year is detailed on the following page	 ₹ 3.87 crores ₹ 2.47 crores - Please refer to the table on the following page -

Manner in which the amount spent during the Financial Year 2018-19

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified.	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) Project or programs wise	Amount spent on the Projects or programs Sub-heads: (l) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
1	Water conservation and augmentation of ground water	Water resource management & sustainable livelihood for water starved village communities – Project Jalsanrakshan.	State of Maharashtra, Aurangabad district	₹ 7,497,798	(1) Direct expenditure ₹ 6,887,097 (2) Overheads ₹ 610,701	Complete amount disbursed	Project through implementing CSR agency SM Sehgal Foundation
2	Groundwater management – creation of water storage structures for farming, community use and recharge of ground water and underground reservoirs	Water resource management & sustainable livelihood for water starved tribal communities. Phase 2 involves infrastructure creation viz; 2 gabion dams, 2 farm ponds, desilting of percolation tank and tree plantation, solar operated RO water plant to prevent dental fluorosis, wasteland farming and sustainable agriculture practices	State of Andhra Pradesh, Guntur district.	₹ 4,245,150	(1) Direct expenditure ₹ 3,905,538 (2) Overheads ₹ 339,612	Complete amount disbursed	Project through implementing CSR agency Concern India Foundation
3	Self-sustaining water conservation measures, water users committee and rejuvenation of village community ponds.	Water resource management, controlling pollution inflow into the ponds & creating a self-sustaining model through pond pisiculture for resource generation for the village panchayat.	State of Haryana, Palwal district	₹ 9,766,780	(1) Direct expenditure ₹ 8,197,056 (2) Overheads ₹ 1,569,724	Complete amount disbursed	CSR project amount spent through implementation agency SM Sehgal Foundation
4	Water conservation and projection of natural wetland habitat	Conservation of the critically endangered Indus River Dolphin with community mobilisation and organic farm practices	State of Punjab, Harike	₹ 2,172,375	(1) Direct expenditure ₹ 1,811,000 (2) Overheads ₹ 361,375	Complete amount disbursed	CSR project amount spent through implementation agency World Wide Fund for Nature India
5	Installation of waterless urinals in water stressed areas to reduce usage of a scarce resource	Saving water with waterless urinals in locations, facing severely depleted underground water availability. Reducing sewerage discharge and ground water pollution	States of Delhi, Karnataka, Maharashtra, Rajasthan & Tamil Nadu.	₹ 534,162	(1) Direct expenditure ₹ 534,162 (2) Overheads NIL	Complete amount disbursed	Project through implementation agency Ekam Ecosolutions
6	Water conservation	Promoting adoption of waterless urinals to reduce demand for water and showcasing organic cleaning solutions to prevent contamination of groundwater, at the India Green Building Congress (IGBC) at Hyderabad	State of Telengana, Hyderabad	₹ 144,000	(1) Direct expenditure ₹ 144,000 (2) Overheads NIL	Complete amount disbursed	Project through implementation agency Ekam Ecosolutions
7	Water conservation	Promoting adoption of organic cleaning solutions to prevent contamination of groundwater.	Promotion and trial packs on e-commerce portals such as amazon.in, qtrove.com, sapdeal.com.	₹ 48,038	(1) Direct expenditure ₹ 48,038 (2) Overheads NIL	Complete amount disbursed	Project through implementation agency Ekam Ecosolutions
8	Water conservation	Rainwater harvesting project. Recharging capacity of about 1 lakh litres, expected annual harvesting of 50 million litres of water	State of Gujarat, Vadodara district	₹ 500,000	(1) Direct expenditure ₹ 500,000 (2) Overheads NIL	Complete amount disbursed	Project implemented by Akshar Trust

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified.	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) Project or programs wise	Amount spent on the Projects or programs Sub-heads: (l) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
9	Swachh Bharat Mobile toilets	Mobile portable toilets for females and males provided to Patiala Urban Development Agency (PUDA)	State of Punjab, Patiala district	₹ 200,000	(1) Direct expenditure ₹ 200,000 (2) Overheads NIL	Complete amount disbursed	Direct spend.
10	Water Purifiers	Using Natural Terafil water purifiers for ground water extracted for drinking and cooking requirements at border check posts	Wagah border, State of Punjab, Amritsar district	₹ 131,695	(1) expenditure ₹ 131,695 (2) Overheads NIL	Complete amount disbursed	Project through implementation agency Watsan Envirotech Pvt. Ltd. Ecosolutions
11	Renewable energy project solar electrical street lights	Renewable energy solar power streetlights network for 68 villages and hamlets final phase. Creating village and hamlet level user committees, training the tribal residents for operations & maintenance of solar streetlights.	State of Maharashtra, in Karjat district	₹ 2,901,540	(1) Direct expenditure ₹ 2,138,576 (2) Overheads ₹ 762,964	Complete amount disbursed	Project through implementing CSR agency Concern India Foundation
12	Renewable energy project solar electrical street lights	Installation of solar power streetlights network across an additional 47 villages and hamlets. Creating village user committees, training the tribal inhabitants on operations & maintenance of solar streetlights.	State of Maharashtra, in Karjat district	₹ 1,121,640	(1) Direct expenditure ₹ 1,121,640 (2) Overheads NIL	Complete amount disbursed	Project through implementing CSR agency Concern India Foundation
13	Climate change mitigation. Reforestation of buffer areas around National Sanctuaries and gainful employment generation for communities dependent on forests.	Regeneration of lost forest cover through extensive plantation of native trees in the buffer zones of critical natural animal habitat.	Planted over 50,000 trees in States of Madhya Pradesh, Uttrakhand & Uttar Pradesh Locations: Harda, Madhya Pradesh, Ramgarh/ Nainital, Uttrakhand& Jhansi, Uttar Pradesh	₹ 4,250,000	(1) Direct expenditure ₹ 4,250,000 (2) Overheads NIL	Complete amount disbursed	Project amount spent through implementation agency Pangea EcoNet Assets Pvt. Ltd.
14	Climate change mitigation, promoting bio diversity & increasing green cover	Open air butterfly observatories, with tree and flowering plants plantation	Rural schools in State of Maharashtra, Raigad & Palghar Districts	₹ 650,000	(1) Direct expenditure ₹ 650,000 (2) Overheads NIL	Complete amount disbursed	Project amount spent through implementation agency Inaturewatch Foundation
15	Climate change mitigation, promoting, increasing green cover & livelihood opportunity for tribals	Bamboo sapling cultivation	State of Maharashtra, Nashik District	₹ 1,350,000	(1) Direct expenditure ₹ 1,350,000 (2) Overheads NIL	Complete amount disbursed	Direct spend for bamboo saplings. Planting implemented by Sahyadri Rural Development Foundation
16	Climate change mitigation, promoting bio diversity & increasing green cover	Sapling plantation of fruit bearing variety	State of Haryana at Nathupur village	₹ 81,500	(1) Direct expenditure ₹ 81,500 (2) Overheads NIL	Complete amount disbursed	Direct expenditure

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified.	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) Project or programs wise	Amount spent on the Projects or programs Sub-heads: (l) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
17	Communication & Awareness on: a. Watershed development and community development b. Pollution of water sources c. Hazard of plastic in water and landfills d. Promoting best practices and judicious use of water.	Audio visuals and microsite on CSR: a) Watershed development and community participation. b) Propagating sustainable water usage, perils of plastic pollution in landfills and water bodies and the record breaking ride to the four corners of India c) Promotion of reusable and 100% recyclable natural fibre bags as substitute for plastic bags	Promotion of a) Drive for good – an India record setting CSR outreach activity covering the four corners of India, propagating a green India & clean India and Swachh Bharat. b) Promotion of 100% recyclable and 100% natural fibre carry bags c) Watershed development – water and the impact of climate change mitigation activities d) Clean-up and green up	₹ 667,500	(1) Direct expenditure ₹ 667,500 (2) Overheads NIL	Complete amount disbursed	Freelance productions,& Chaipaani Pvt. Ltd.
18	Ride for Good, print media, electronic media and social media campaign for tree planation, conserving water and protecting the environment. #merapaudha & #plantatree	Tree plantation. Awareness about Swachh Bharat. Water and plastic pollution awareness. Promoting best practices and judicious use of water Awareness about Swachh Bharat. Water and plastic pollution awareness. Promoting best practices and judicious use of water	a) Drive for good – an India record setting outreach activity covering 15,219 km in 29 days. The trip across India reached out to schoolchildren, Bank's customers and travellers to promote the message for green India & clean India. b) States covered Maharashtra, Karnataka, Tamil Nadu, Madhya Pradesh, Haryana, Punjab, Himachal Pradesh, Jammu & Kashmir, Delhi, Uttar Pradesh, Bihar, West Bengal, Assam, Arunachal Pradesh & Gujarat	₹ 498,750	(1) Direct expenditure ₹ 498,750 (2) Overheads NIL	Complete amount disbursed	Direct expenditure
19	Waste management, alternative to plastic shopping bags	Promotion and distribution of 100% canvas material bags. Activity spurred on by the ban on plastic carry bags by cities in India. Awareness building, education and promotion of reusable & 100% recyclable natural fibre carry bags	Local area and community based one to one meetings and canvassing in micro shopping areas across major cities and state capitals.	₹ 726,000	(1) Direct expenditure ₹ 726,000 (2) Overheads NIL	Complete amount disbursed	Direct expenditure

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified.	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) Project or programs wise	Amount spent on the Projects or programs Sub-heads: (l) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
20	Waste management and recycling	Utilising extracted PET material from discarded soft drink bottles to make fabric for t-shirts	Local area project for Mumbai, state of Maharashtra	₹ 64,762	(1) Direct expenditure ₹ 64,762 (2) Overheads NIL	Complete amount disbursed	Direct expenditure
21	CSR impact projects with DCB Bank CSR Employee volunteers	Various activities in line with the Bank's CSR thrust areas: such as, waste management, waste recycling, protection of water bodies, rejuvenation of natural habitat, protection of flora and fauna, bio waste composting, community areas and localities clean up, river, streams, lakes and ponds clean up.	Projects in Ahmedabad, Anantapur, Bengaluru, Bhopal, Chennai, Coimbatore, Delhi, Erode, Gurugram, Hyderabad, Kolkata, Mumbai, Navi Mumbai, Pune, Raipur, & Trichy	₹ 1,027,867	(1) Direct expenditure ₹ 1,027,867 (2) Overheads NIL	Complete amount disbursed	Implemented directly as well as with agencies, CSR partners, NGOs such as Ladybird Environment Consulting LLP; Green Yatra; Mission Green Mumbai; Concern India Foundation, SM Sehgal Foundation, Gocahooots Pvt. Ltd.
	TOTAL	-	-	₹ 38,674,668	(1) ₹ 34,886,156 (2) ₹ 3,788,512		-

6. Reason for not spending the two per cent of the average net profit of the last three financial years or any part thereof:
DCB Bank has incrementally added scale, increased scope and coverage of CSR projects. The scaling up of projects has come on the back of learning from earlier projects. This approach helps in assessing outcome in a community over a period of time and then set up efforts to help communities.
In this Financial Year CSR, projects were initiated in new geographies such as Madhya Pradesh, Uttar Pradesh, Uttrakhand, and Tamil Nadu. This increased the scale and scope of the Bank's activities to address climate change. The outcome of these projects will directly result in protecting water bodies both above and below the ground.
The Bank also stepped up awareness building, and communication through audio visuals, short documentaries and social media for issues related to availability and use of water, plastic pollution, tree plantation and waste management.
Impetus was given to renewable energy projects with solar street lighting in remote tribal hamlets, over a hundred hamlets and upward of 4,000 people stand to benefit. Some other new initiatives were - recycling waste PET used soft beverage bottles into t-shirts for CSR volunteers; co-opting a self-help group to produce durable canvas shopping bags as substitute for harmful plastic carry bags and creating butterfly bio diversity zones to increase green and tree cover. CSR resources deployed and project spend have increased over the previous Financial Year. The Bank continues to assess projects that benefit communities for the long term.

7. Responsibility Statement:
The CSR Committee of the Bank hereby states that the implementation and monitoring of CSR Policy complies with CSR objectives and policy of the Bank.

Sd/- (Chief Executive Officer or Managing Director or Director) Sd/- (Chairman- CSR Committee)

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

- The Board shall have minimum 3 and maximum 15 directors, unless otherwise approved. No person of age less than 21 years shall be appointed as a director on the Board.
- The Bank shall have such person on the Board who complies with the requirements of the Companies Act, 2013, the Banking Regulation (BR) Act, 1949, Provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), the 'Fit & Proper' criteria prescribed by the Reserve Bank of India (RBI), Memorandum of Association and Articles of Association of the Bank and all other statutory provisions and guidelines as may be applicable from time to time.
- Composition of the Board shall be in compliance with the requirements of Regulation 17 (1) of the Listing Regulations.
- Majority of the Directors as required under BR Act shall have specialized knowledge/experience in the areas like Agriculture, Banking, SSI, Legal, Risk Management, Accountancy, 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 the irrespective fields.

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

- MD & CEO, Company Secretary and Chief Financial Officer shall be the Key Managerial Personnel (KMPs) of the Bank.
- Except for the Chairman and the MD & CEO, no other Directors are paid remuneration, but are paid only sitting fees. The Chairman and the MD & CEO are paid remuneration as approved by the RBI and other applicable authorities, but are not paid sitting fees.
- Independent Directors are not entitled for ESOPs
- Remuneration of all employees including Senior Management and KMPs are decided as per the Compensation Policy of the Bank.

PARTICULARS OF EMPLOYEES

The Bank had 6,134 employees as on March 31, 2019. 8 employees employed throughout the year were in receipt of aggregate remuneration of not less than ₹ 1.02 Crore per annum and no employee was employed for a part of the year. The details of top 10 employees in terms of remuneration drawn pursuant to provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 (2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are appended separately(Annexure-I) and form part of this Report. The Report and Accounts are being sent to the shareholders excluding these particulars and any shareholder interested in obtaining the said details may write to the Company Secretary at the Registered Office of the Bank.

EMPLOYEE STOCK OPTIONS

The information pertaining to the Employee Stock Options is given in ANNEXURE-II to this Report.

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, 2019 and such other details as prescribed are as given below:

Name	Ratio
Mr. Nasser Munjee (Chairman)	6:1
Mr. Murali M Natrajan (Managing Director & CEO)	142:1

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:

Mr. Nasser Munjee–(Chairman):	0%
Mr. Murali M Natrajan – (Managing Director & CEO):	0%
Mr. Bharat Laxmidas Sampat – (Chief Financial Officer):	7%
Ms. Rubi Chaturvedi – Company Secretary:	7%

c) The percentage increase in the median remuneration of employees in the financial year: 9%

d) The number of permanent employees on the rolls of Bank: 6,084

e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year ended March 31, 2019 and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration: Average increase in remuneration is 8 % for Employees other than Managerial Personnel & 4 % 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 remuneration policy of the Bank:Yes

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION ANDFOREIGN EXCHANGEEARNINGSANDOUTGO

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 FY2015-16. This Policy, inter alia, provides a direct access to a Whistle Blower to the Chairman of the Audit Committee of the Board (ACB) on his dedicated email-ID cacb@dcbbank.com. The Whistle Blower Policy covering all employees and directors is hosted on the Bank's website at "http:// www.dcbbank.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 frame work for Internal Financial Controls ("IFC") within the meaning of the explanation to Section134(5)(e) of the Companies Act, 2013. For the year ended March 31, 2019, 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.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the frame work of internal financial controls and compliance systems established and maintained by the Bank, the work performed by the Internal, Statutory and Secretarial Auditors and the reviews performed by the Management and the relevant Board Committees,

including the Audit Committee of the Board, the Board is of the opinion that the Bank's internal financial controls were adequate and effective during the year ended March 31, 2019. 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, 2019 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, 2019; 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, 2019.

EXTRACT OF THE ANNUAL RETURN

An extract of the Annual Return as of March 31, 2019 pursuant to the sub-section (3) of Section 92 of the Companies Act, 2013 read with Rule 12 (1) of the Companies (Management and Administration) Rules, 2014 and forming part of the 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/cms/showpage/page/about-us-corporate-governance

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 the Statutory Auditors M/s. Deloitte, Haskins & Sells, Chartered Accountants (Registration No. 117365W) regarding compliance of the conditions of Corporate Governance as stipulated in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report.

DIRECTORS

During FY 2018-19, there was no change in directorate of the Bank. The re-appointment of Mr. Murali M. Natrajan as MD & CEO for a period of three years w.e.f. April 29, 2018 was approved by the shareholders in the 23rd AGM subject to approval of the Reserve Bank of India (RBI). The RBI vide letter no. DBR. Appt. No. 9537/29.03.001/2017-18 dated April 23, 2018 had approved the same.

The first term of five years of the four Independent Directors viz. 1) Mr. Altaf Jiwani (DIN 05166241) 2) Mr. Imran Contractor (DIN 06382169) 3) Mr. C. Narasimhan (DIN 02133263) and 4) Mr. S. Sridhar (DIN 00004272) got expired on March 31, 2019 and they were eligible for re-appointment as Independent Directors for one more term of upto five years or such period that their total tenure will not exceed the period of eight years from their original appointments as permitted under the Banking Regulations Act 1949. As all the above four directors continue to meet criteria of Independence and had consented for their re-appointment as Independent Directors, the Board, considering their past performance, had approved their re-appointment w.e.f. April 1, 2019 as Independent Directors of the Bank for the second term of up to five years or for such permissible period that their total tenure with the Bank shall not exceed eight years, subject to approval of the shareholders in the forthcoming 24th Annual General Meeting

Mr. Amin Manekia (DIN 00053745) was liable to retire by rotation and being eligible has offered himself for re-appointment.

A brief resume relating to the persons who are to be appointed / re- appointed as Directors is furnished in the notice of the 24th AGM as well as in the report on Corporate Governance. 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.
None of the Directors of the Bank is related to each other per se.

CHANGE IN KEY MANAGERIAL PERSONNEL

There was no change in Key Managerial Personnel during the year ended March 31, 2019

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

1. The Chairman of the Nomination and Remuneration Committee of the Board sent draft parameterized feedback forms for evaluation of the Board, the Committees, Directors and the Chairman.
2. Independent Directors at a meeting without anyone from the Non-Independent Directors and management, considered/evaluated the Board's performance, performance of the Chairman and other Non-Independent Directors.
3. The Board subsequently evaluated performance of the Board, the Committees and Independent as well as Non-Independent Directors (without participation of the relevant director). The members of the Board and committees evaluated the respective entity. Every individual Director evaluated every other Director. The results were collated and the Chairman informed that the

performance of the Board as a whole and its Committees was satisfactory.

The Chairman also commented that individual performance of the Directors was also satisfactory.

THE DETAILS OF FAMILIARISATION PROGRAMME ARRANGED FOR INDEPENDENT DIRECTORS HAVE BEEN DISCLOSED ON WEBSITE OF THE BANK AND ARE AVAILABLE AT THE FOLLOWING LINK:

http://www.dcbbank.com/pdfs/Familarisation_Programme_for_Independent_Directors.pdf

STATUTORY AUDITORS

M/s. Deloitte, Haskins & Sells, Chartered Accountants (Registration No. 117365W) were appointed as Statutory Auditors at the 21st Annual General Meeting. Their appointment for FY 2018-19 was ratified in the last AGM. They are eligible for re-appointment for the FY 2019-20. Section 139 of the Companies Act, 2013 and the Rules made there under provide that a company can appoint a firm as auditor for maximum two terms of five consecutive years. In other words, company can make appointment of auditor for five years at a time. However the Bank is also governed by the provisions of Banking Regulation Act,1949 and the circulars/notification/guidelines issued by Reserve Bank of India (RBI) from time to time.

As per the extant provisions, the RBI gives permission for appointment of auditor on year to year basis. Further as per RBI's directive, it is mandatory to rotate the Auditor after completion of four years. M/s. Deloitte, Haskins & Sells, Chartered Accountants (Registration No.117365W) has already completed term of three years. Taking this into consideration, ratification of the appointment of the auditors has been recommended for financial year 2019-20, which is also subject to prior approval of the RBI. The Reserve Bank of India has been approached for their re-appointment. Your Board recommends ratification of their appointment as Statutory Auditors at the ensuing Annual General Meeting, subject to the RBI approval.

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 2018-19 and their report of April 16, 2019 is attached separately to this report.

ACKNOWLEDGEMENTS

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

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

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

On behalf of the Board of Directors

Place: Mumbai
April 18, 2019

Nasser Munjee
Chairman

Annexure-II to Directors' Report

[Details of the Employee Stock Option Scheme (ESOS) as of March 31, 2019 pursuant to the requirements under Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014]

- The Bank has only one ESOS viz. DCB Bank Ltd. –Employee Stock Option Plan consisting of Sub- Plan I (MANCO) and Sub-Plan II (Non-MANCO). (MANCO- Management Committee)
- During the year under review, the Bank has not changed any term of the ESOS.
- The ESOS is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

The following details, have been disclosed on the Bank's website at: http://www.dcbbank.com/cms/showpage/page/disclosures

a. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time.

b. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time.

Details related to ESOS:

(i) The Bank had in existence only one ESOS during the year viz. DCB Bank Ltd. –Employee Stock Option Plan consisting of Sub- Plan I (MANCO) and Sub-Plan II (Non-MANCO). The general terms and conditions of the same as given below:

Description	**Sub- Plans I (MANCO)**	**Sub-Plan II (Non-MANCO)**
(a) Date of shareholders' approval	December 15, 2006	December 15, 2006
(b) Total number of options approved under ESOS	4% of the Issued Capital of the Bank on an ongoing basis.	3% of the Issued Capital of the Bank on an ongoing basis.
(c) Vesting requirements	30%, 30%, 20% and 20% at end of 2nd ,3rd, 4th and 5th year respectively from the date of grant subject to the conditions of vesting for death, permanent disability or retirement of an employee.	30%, 30%, 20% and 20% at end of 2nd, 3rd, 4th and 5th year respectively from the date of grant subject to the conditions of vesting for death, permanent disability or retirement of an employee.
(d) Exercise price or pricing formula	The Exercise price of the Option shall be at a price related to the Market Price as decided by the Board/ Nomination Committee.	The Exercise price of the Option shall be at a price related to the Market Price as decided by the Board/ Nomination Committee.
(e) Maximum term of options granted	Vesting would be within 5 years from the date of grant and shall be exercised within 8 years from the date of vesting subject to conditions of vesting and exercise for death, permanent disability or retirement of an employee.	Vesting would be within 5 years from the date of grant and shall be exercised within 8 years from the date of vesting subject to conditions of vesting and exercise for death, permanent disability or retirement of an employee
(f) Source of shares (primary, secondary or combination)	Primary	Primary
(g) Variation in terms of options	No variation in terms of option during the year 2018-19	No variation in terms of option during the year 2018-19

(ii) Method used to account for ESOS - Intrinsic value.

(iii) Where the Bank opts for expensing of the options using the intrinsic value of the options:

The difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options The impact of this difference on profits and on EPS of the Bank	Had the Bank followed fair value method for accounting the stock options, compensation expense would have been higher by ₹ 1.78 crore. Consequently profit after tax would have been lower by that extent. The basic EPS of the Bank would have been ₹ 10.47 per share and the Diluted EPS would have been ₹ 10.30 per share.

(iv) Option movement during the year:

Particulars	Details
Number of options outstanding at the beginning of the period	9,354,205
Number of options granted during the year	40,000
Number of options forfeited / lapsed during the year	151,685
Number of options vested during the year	1,359,415
Number of options exercised during the year	1,462,015
Number of shares arising as a result of exercise of options	1,462,015
Money realized by exercise of options (₹) (if scheme is implemented directly by the Bank)	102,097,598/-
Loan repaid by the Trust during the year from exercise price received	Not Applicable
Number of options outstanding at the end of the year	7,780,505
Number of options exercisable at the end of the year	5,402,105

(v) The Weighted-average exercise prices of the Options granted during the year is ₹ 176.45 and the weighted-average fair values is ₹ 62.86

(vi) Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to:

a) senior managerial personnel	Name & Designation	Options	Granted Exercise Price
	Ms. Rubi Chaturvedi Company Secretary	4,000	₹ 176.45
(b) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Name & Designation	Options	Granted Exercise Price
	Mr. Abhijit Shah Chief Technology Officer	20,000	₹ 176.45
	Mr. Prashant Kapse Head- Portfolio	10,000	₹ 176.45
	Ms. Preeti Dhar Head- Service Excellence	6,000	₹ 176.45
(c) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Bank at the time of grant.	None		

(vii) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

(a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;	(i) weighted-average values of share price- ₹ 176.45 (ii) weighted-average exercise price- ₹ 176.45 (iii) expected volatility- 50 % (iv) expected option life- 6 years (v) expected dividends- 0.39 % (vi) risk-free interest rate- 7.39 %
(b) the method used and the assumptions made to incorporate the effects of expected early exercise;	The method recognizes that employees' exercise behavior is correlated with the price of the underlying share. Pricing model assumes that option holder voluntarily exercises early if the stock price is greater than the exercise price. To incorporate the effects of expected early exercise, assumptions also include employee exit rate pre-vesting, employee exit rate post-vesting
(c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	Expected volatility was determined based on historical volatility data; historical volatility includes data since listing.
(d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	As aforesaid, various features were incorporated into the measurement of fair value.

Disclosures in respect of grants made in three years prior to IPO under the ESOS: All the Options granted in the three years prior to the IPO have either been exercised or have lapsed.

CORPORATE GOVERNANCE

Report on Corporate Governance pursuant to Schedule V (C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) and forming Part of the Directors' Report for the year ended March 31,2019.

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

PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

BOARD OF DIRECTORS

The Bank, as on date of this Report, has a Non-Executive (Part-time) Chairman, a Managing Director & Chief Executive Officer (MD & CEO), and ten (10) other directors on its Board. Except for the Chairman Mr. Nasser Munjee, Directors Mr. Amin Manekia, Mr. Shaffiq Dharamshi, Mr. Jamal Pradhan, Mr. Iqbal Khan and the MD & CEO Mr. Murali M. Natrajan, who are 'Non-Independent' Directors, all the other 6 Directors are 'Independent'. As against the requirement of the Listing Regulations for the number of Independent Directors to be more than 1/3rd of the total number of Directors, your Board has 50.00% of its directors in the 'Independent' category which also includes a 'Woman Director'. The day-to-day management of the Bank is entrusted to the senior managerial personnel 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.

All the Directors of the Bank and their relatives together hold total 2,578,457 equity shares of the Bank (0.83% of Capital) i.e. less than 2% of the Equity Share Capital of the Bank as on March 31, 2019.

COMPOSITION OF THE BOARD OF DIRECTORS AS ON MARCH 31, 2019

Mr. Nasser Munjee has been a non-executive director since June 2005 and the Bank's non-executive Chairman since August 2005. He is also the Chairman of the Executive Committee, the Capital Raising Committee and the Corporate Social Responsibility Committee of the Board. Mr. Munjee began his career in 1977 as one of the first employees of HDFC, India's first housing finance company, where for over two decades, he rose to be an executive director on its board with wide responsibilities. Then in 1997, upon the request of the Finance Minister of India to set up an infrastructure finance company, Mr. Munjee was instrumental in establishing Infrastructure Development Finance Company Limited ("IDFC"). Mr. Munjee is presently a director on the boards of other 7 public companies in India, including Tata Motors, Tata Chemicals, Cummins India, ABB India Limited and Ambuja Cements Limited and Chairman of Tata Motor Finance Limited. He is also the Chairman of three other Aga Khan Development Network (AKDN) institutions in India. He has served as the President of the Bombay Chamber of Commerce and Industry and on several government task forces on housing and urban development. Mr. Munjee has a Masters degree from the London School of Economics, UK and was earlier educated at the Leys School in Cambridge.

Mr. Munjee holds 4,401 equity shares in the Bank as on March 31, 2019.

Mr. Shaffiq Dharamshi has been a non-executive director of the Bank since 13th January, 2015. He is a professional banker with over twenty years of senior management experience in the Middle East and Africa. He is Head of Banking for Aga Khan Fund for Economic Development (AKFED) and responsible for providing oversight on operations of financial institutions in the AKFED portfolio across Asia and Africa. Prior to taking this position, Mr. Dharamshi was Senior Vice President, Wholesale Credit Risk Management at Mashreq Bank in Dubai. Before joining Mashreq Bank, Mr. Dharamshi spent 17 years with Citibank in a wide range of positions across different areas of the bank in Africa and the Middle East. His last position with Citibank was Country Risk Head for Kuwait and Levant. Mr. Dharamshi holds a B. Sc. in Economics from Trent University, Ontario Canada and a M.Sc. from the London School of Economics. Mr. Dharamshi also serves on the Boards of Diamond Trust Bank Limited-Tanzania, Diamond Trust Bank Limited-Uganda, Diamond Trust Bank Limited-Kenya, Kyrgyz Investment and Credit Bank-Kyrgyzstan, First Microfinance Bank-Tajikistan and Habib Bank Limited-Pakistan.

Mr. Dharamshi does not hold any equity shares in the Bank as on March 31, 2019.

Mr. Altaf Jiwani has been a non-executive, independent director of the Bank since January 2012. He has approximately 28 years of experience in corporate finance in the automobile, electrical and textile industries and expertise in foreign exchange risk management and trade finance. He has been recipient of the "Outstanding Achiever" award in the RPSG Group. Mr. Jiwani obtained B.E. (Production) degree from V.J.T.I, Mumbai, and M.M.S. (Finance) degree from Welingkar Institute of Management, Mumbai. He is presently CFO of Welspun India Ltd which is a global leader in home textiles. He is Director on the boards of Welspun Flooring Limited, Welspun Zucchi Textiles Limited, Aga Khan Health Services India. He is also a Trustee of Welspun Foundation for Health & Knowledge and Prince Aly Khan Hospital.

Mr. Jiwani does not hold any equity shares in the Bank as on March 31, 2019.

Mr. Amin Manekia has been a non-executive director of the Bank since January 12, 2012. He has over 35 years of experience in the fields of marketing, finance, health, co-operation and banking. He has worked for more than 30 years in various capacities in different institutions of the Aga Khan Development Network and on the Boards of various listed financial institutions, local and global, for over a decade. Mr. Manekia is also the President of Prince Aly Khan Hospital in South Mumbai and Platinum Jubilee Investments Limited. He has obtained his M.B.A. degree from Babson College in United States of America, and a B.Com. degree from University of Mumbai.

Mr. Manekia holds 17,303 equity shares in the Bank as on March 31, 2019

Mr. Imran Contractor has been a non-executive independent director of the Bank since October 2012. He is B.Com and a qualified Chartered Accountant (placed in the merit lists) and a Cost Accountant. He also holds a Certificate in Software Technology from the National Centre for Software Technology. Currently, Mr. Contractor manages his own investments. His previous experience of 18 years include association with W.I.Carr (Far East) Limited and Stratcap Securities India Private Limited as head of research, advisor to several corporate managements and high networth individuals on investment strategy and a consultant with Reliance Mutual Fund.

Mr. Contractor holds 4,575 equity shares in the Bank as on March 31, 2019.

Mr. C. Narasimhan has been a non-executive independent director of the Bank since October 2012. He was previously with the State Bank of India (SBI). He has around 40 years of rich banking experience in corporate treasury, corporate strategy, private equity, new business conceptualisation and rollout, investments (stocks, mutual funds and fixed income securities), credit appraisal and administration, branch management, forex operations, IT operations and client relationship management. He has been involved in the conceptualisation and implementation of several new businesses, including general insurance, debit cards, merchant acquiring, custodial services, mobile banking, payment systems group, private equity and venture capital funds of the SBI Group. He has obtained B.Sc. degree from University of Kerala and MBA from University of Madras.

Mr. Narasimhan does not hold any equity shares in the Bank as on March 31, 2019.

Mr. S. Sridhar has been a non-executive independent director of the Bank since October 2012. He retired as Chairman and Managing Director of Central Bank of India (CBI), which is amongst India's oldest and largest public sector banks. During his tenure, CBI recorded historic highs in business, profit and profitability, return on assets, asset quality, technology adoption, brand building and human capital development. Mr. Sridhar was also the Chairman and Managing Director of National Housing Bank (NHB), the regulator of housing finance companies. Seminal initiatives launched during his tenure include NHB Residex, India's first official residential property index, central electronic registry of mortgages, reverse mortgage for senior citizens and rural housing fund. Earlier Mr. Sridhar was the Executive Director of EXIM Bank. He started his career with State Bank of India. Mr. Sridhar is M.Sc., CAIIB and a Diploma Holder in Systems Management. He is also a Fellow of the Indian Institute of Banking and Finance and an elected Fellow of the Royal Institute of Chartered Surveyors, London.

Mr. Sridhar does not hold any equity shares in the Bank as on March 31, 2019.

Mr. Jamal Pradhan has been a non-executive director of the Bank. He is a Commerce Graduate and has specialized in the areas of exports and small scale industry. He is a promoter director of Pradhan Mercantile Private Limited and has experience of over two decades in export and small & medium manufacturing industry. He is also a Director of Platinum Jubilee Investments Limited.

Mr. Pradhan holds 4,718 equity shares in the Bank as on March 31, 2019.

Ms. Rupa Devi Singh has been a non-executive independent director of the Bank since January, 2015. She was the founder MD & CEO of Power Exchange India Ltd (PXIL), a nation-wide Exchange for electricity trading, promoted by NSE & NCDEX. She set up PXIL from scratch in 2008 and led it for five years until March 2013.Prior to PXIL she worked as a Director with CRISIL Infrastructure Advisory for 4 years and SBI Capital Markets for 5 years. She served SBI for 26 years holding various senior positions across the country. Her repertoire of experience includes commercial banking, Investment Banking, Strategic Consulting & Overseas Marketing and as CEO of a Spot Commodity Exchange (PXIL) . As a strategic consultant she has advised clients across manufacturing and services sectors in taking investment decisions leading to setting up of a number of successful businesses. She is also serving on other Boards, including one in the renewable energy Sector. Ms. Singh is a graduate in science, a post-graduate in law from the University of Delhi and holds CAIIB.

Ms. Singh does not hold any equity shares in the Bank as on March 31, 2019

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 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.

Mr. Iqbal Khan does not hold any equity shares in the Bank as on March 31, 2019.

Mr. Ashok Barat, an independent director of the Bank, is a Fellow Member of the Institute of Chartered Accountants of India and a Fellow Member of the Institute of Company Secretaries of India. He graduated in Commerce from the Allahabad University. Mr. Barat has held responsible and senior leadership positions in various Indian and multinational organisations, both in India and overseas. He is on the Board of other companies and advises businesses on governance, performance and strategy. During the current year he is the Vice President of the Council of EU Chambers of Commerce in India.

Mr. Ashok Barat does not hold any equity shares in the Bank as on March 31, 2019.

Mr. Murali M. Natrajan, FCA, Managing Director & Chief Executive Officer of the Bank since April, 2009, has 35 years global experience in financial services. This includes Branch Banking, Mortgages, Credit Cards, Personal Loans, Wealth Management, SME, MSME, Corporate Banking, Agri, 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 South Korea as part of a team looking at organic opportunities.

Mr. Murali M. Natrajan holds 2,000,000 equity shares in the Bank as on March 31, 2019.

OTHER LISTED ENTITIES IN WHICH THE BANK'S DIRECTORS ARE DIRECTORS AND CATEGORY OF THEIR DIRECTORSHIP AS ON MARCH 31, 2019

Sr. No.	Name of the Director	Other Listed Entity in which he/she is a Director	Category of Directorship
1	Mr. Nasser Munjee	1. ABB India Limited	Independent Director
		2. Ambuja Cements Ltd.	Independent Director
		3. Cummins India Limited	Independent Director
		4. HDFC Limited	Independent Director
		5. Tata Motors Limited	Independent Director
		6. Tata Chemicals Limited	Independent Director
		7. Tata Motors Finance Limited	Non Independent Director & Chairman
2	Mr. Murali M. Natrajan	NIL	N.A.
3	Mr. Amin Manekia	IVP Limited	Independent Director
4	Mr. Altaf Jiwani	NIL	N.A
5	Mr. C. Narasimhan	NIL	N.A.
6	Mr. Srinivasan Sridhar	1. Strides Pharma Science Ltd.	Independent Director
		2. Jubilant Life Sciences Limited	Independent Director
		3. Tourism Finance Corporation of India Ltd.	Independent Director
		4. Shriram Transport Finance Co. Ltd.	Independent Director
7	Mr. Imran Shaukat Contractor	NIL	N.A.
8	Mr. Jamal Pradhan	NIL	N.A.
9	Mr. Shaffiq Dharmashi	NIL	N.A.
10	Ms. Rupa Devi Singh	NIL	N.A.
11	Mr.Iqbal Ishak Khan	NIL	N.A.
12	Mr. Ashok Barat	1. Cholamandalam Investment and Finance Company Limited	Independent Director
		2. Cholamandalam Financial Holdings limited (Erstwhile TI Financial Holdings Limited)	Independent Director
		3. Bata India Limited	Independent Director
		4. Birlasoft Limited	Independent Director

Requirement of Core Skills/Expertise/Competence for the Board of Directors as identified for Bank's business

The skill or competencies for the members of the Board of the Banking companies are provided in Section 10 A of the Banking Regulation Act, 1949. Accordingly following skills are identified for the Bank's Board of Directors:

Sr. No.	Areas of Core Skills/Expertise/Competence
1	Accountancy & Audit
2	Agriculture and rural economy
3	Banking
4	Co-operation
5	Economics
6	Finance
7	Law
8	Small-scale industry
9	Information Technology
10	Risk Management

The Board of Directors has the necessary Skills/Expertise/Competence in all the above mentioned areas.

Composition of Board of Directors as on March 31, 2019

Name of Director	Executive / Non-Executive Director	Independent / Non-Independent Director
Chairman (Part-time)		
Mr. Nasser Munjee	Non-Executive	Non-Independent
Managing Director		
Mr. Murali M. Natrajan	Executive	Non-Independent
Directors		
Mr. Altaf Jiwani	Non-Executive	Independent
Mr. Imran Contractor	Non-Executive	Independent
Mr. C. Narasimhan	Non-Executive	Independent
Mr. Ashok Barat	Non-Executive	Independent
Mr. S. Sridhar	Non-Executive	Independent
Ms. Rupa Devi Singh	Non-Executive	Independent/ Woman
Mr. Jamal Pradhan	Non-Executive	Non-Independent
Mr. Amin Manekia	Non-Executive	Non-Independent
Mr. Shaffiq Dharamshi	Non-Executive	Non-Independent
Mr. Iqbal Khan	Non-Executive	Non-Independent

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

None of the Directors including the Independent Directors of the Bank have resigned during the year 2018-19.

During the year ended March 31, 2019, Six (6) Board Meetings were held on April 14, 2018, June 2, 2018, July 14, 2018, October 17, 2018, December 13, 2018 and January 16, 2019. Details of attendance at the Bank's Board Meetings, Directorship, Membership and Chairmanship in other companies for each director of the Bank are as follows:

Name of Director	Attendance at the Bank's Board Meetings	Directorship of other Indian public limited Companies	Directorship of other Companies	Membership of other Companies' Committees	Chairmanship of other Companies' Committees
Mr. Nasser Munjee	6	7	4	2	4
Mr. Murali M. Natrajan	6	-	-	-	-
Mr. Altaf Jiwani	5	3	1	-	-
Mr. Amin Manekia	5	2	2	-	1
Mr. Imran Contractor	5	-	-	-	-
Mr. C. Narasimhan	6	-	-	-	-
Mr. S. Sridhar	6	6	4	-	5
Mr. Jamal Pradhan	5	1	4	-	-
Mr. Shaffiq Dharamshi	3	-	-	-	-
Ms. Rupa Devi Singh	5	2	-	-	-
Mr. Iqbal Khan	5	-	-	-	-
Mr. Ashok Barat	5	6	2	5	-

During the year, as per the requirement, a meeting of Independent Directors was also held on March 14, 2019 and the same was attended by all the Independent Directors except Mr. Ashok Barat.

Disclosure of Chairmanship & Membership includes only two committees viz. Audit Committee and Stakeholders' Relationship Committee. All Directors then on the Board of the Bank, except Mr. Imran Contractor and Mr. Iqbal Khan, attended the last Annual General Meeting held on June 2, 2018.

COMPOSITION OF COMMITTEES OF DIRECTORS AND THEIR ATTENDANCE AT THE MEETINGS AS ON MARCH 31, 2019

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

AUDIT COMMITTEE OF BOARD (ACB)

Mr. Ashok Barat chairs the Audit Committee of Board (ACB) of the Bank. The other members of ACB are Mr. Imran Contractor, Mr. Altaf Jiwani and Mr. Shaffiq Dharamshi. Out of Four(4),Three(3) members are Independent Directors (IDs) except Mr. Shaffiq Dharamshi as against the requirement of 2/3rd IDs under the Listing Regulations. The Committee was reconstituted on April 14, 2018 adding Mr. Ashok Barat as a member and Chairman of the ACB. The Company Secretary acts as the Secretary to ACB. The terms of reference of the ACB are in accordance with Section 177 of the Companies Act, 2013, terms prescribed by the RBI and SEBI Listing Regulations, inter-alia, include the following:

1. Oversight of 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, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees, and confirm their independence.
3. Approval of payment to statutory auditors for any other services rendered, if authorised by the Board.
4. Review with the management, the quarterly financial statements before submission to the Board for approval and secure 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, adequacy of the internal control systems.
7. Any other terms of reference as may be included from time to time in the Listing Regulations.

During the year, the ACB met on eight (8) occasions.

EXECUTIVE COMMITTEE OF BOARD (ECB)

The Executive Committee of Board (ECB) comprises of Mr. Nasser Munjee (Chairman), Mr. Iqbal Khan, Mr. Imran Contractor and Mr. Altaf Jiwani. The ECB, inter-alia, considers matters relating to properties, insurance, business performance and Profit & Loss Account etc.

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

CREDIT COMMITTEE OF BOARD (CCB)

The Credit Committee of Board (CCB) comprises of Mr. S. Sridhar (Chairman), Mr. Amin Manekia, Mr. C. Narasimhan and Ms. Rupa Devi Singh. The CCB, inter-alia, looks after sanctioning of loans and advances, approving of One Time Settlements (OTS), etc.

During the year, the CCB met on twenty five (25) occasions.

RISK MANAGEMENT COMMITTEE OF BOARD (RMC)

Mr. Imran Contractor chairs the Risk Management Committee of Board (RMC). Other members of the RMC are Mr. Amin Manekia, Mr. Ashok Barat (w.e.f. April 14, 2018), Mr. C. Narasimhan, and Mr. Murali M. Natrajan. RMC, the apex body of the Bank's risk management architecture, is responsible for aligning various risk policies of the Bank with the risk appetite and risk philosophy articulated by the Board. It approves specific risk policies, including the Credit Policy, Investment Policy, Asset Liability Management Policy, Outsourcing Policy, Operational Risk Management Policy, KYC Standards and Anti-Money Laundering measures, etc. The Terms of Reference of the RMC also include Management of the Committees of Executives viz. Operational Risk Management Committee (ORCO), Asset Liability Management Committee (ALCO), Credit Risk Management Committee (CRMC), through the review of their minutes and any issues that require the attention of the RMC, and manage effectively the risk profile of the Bank. The Committee was reconstituted on April 14, 2018 and Mr. Ashok Barat was appointed as a member of the RMC and Mr. Imran Contractor was appointed as a Member and Chairman in place of Mr. Nalin Shah who ceased to be Director of the Bank and therefore Chairman of RMC on account of attaining age of 70 years, after the closure of business hours on March 31, 2018.

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

NOMINATION & REMUNERATION COMMITTEE OF BOARD (NRC)

Mr. S. Sridhar chairs the NRC (from April 14, 2018). Other members are Mr. Altaf Jiwani, Mr. Nasser Munjee, Mr. Amin Manekia and Ms. Rupa Devi Singh. Except Mr. Munjee and Mr. Manekia, other three members are Independent Directors and hence the necessary compliance is ensured. The Committee was reconstituted on April 14, 2018 and Mr. S. Sridhar Singh was appointed as additional member and the Chairman of the NRC.

The NRC, inter-alia, looks after the due diligence and recommendation process for appointment/re-appointment of Directors, evaluation of performance of Directors, remuneration, ESOPs, etc. to the

MD & CEO and other key managerial personnel of the Bank, monitoring of the compensation policy of the Bank, etc.

Independent Directors in their meeting held on March 18, 2015 had laid down the criteria for performance evaluation of the Board, including Independent Directors.

During the year, the NRC met on five (5) occasions.

STAKEHOLDERS' RELATIONSHIP COMMITTEE OF BOARD (SRC)

Mr. Imran Contractor chairs the Stakeholders' Relationship Committee of Board (SRC). The other members are Mr. Amin Manekia and Mr. Altaf Jiwani. 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 2018-19, 1 (one) complaint was received and resolved. There was no complaint outstanding as on March 31, 2019. 35 (Thirty Five) request for transfer/transmission/ deletion of name were pending as on March 31, 2019. The Company Secretary acts as the Secretary and has been appointed as the Compliance Officer of the SRC.

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

FRAUD REPORTING & MONITORING COMMITTEE OF BOARD (FRMC)

Pursuant to the directives of the RBI to all commercial banks, the Bank has constituted a Fraud Reporting and Monitoring Committee of Board (FRMC) for monitoring cases of fraud involving amounts of ₹ 1 crore or more. Mr. Ashok Barat chairs the FRMC and Mr. Altaf Jiwani, Mr. C. Narasimhan, Mr. Jamal Pradhan and Mr. Murali M. Natrajan are the other members. The Committee was reconstituted on April 14, 2018 and Mr. Ashok Barat was appointed as a member and the Chairman of the FRMC in place of Mr. Nalin Shah who ceased to be Director of the Bank and therefore Chairman of FRMC on account of attaining age of 70 years, after the closure of business hours on March 31, 2018. The FRMC was last reconstituted on October 17, 2018 and Mr. Altaf Jiwani was appointed as a member of the FRMC.

During the year, the FRMC met on three (3) occasions.

CUSTOMER SERVICE COMMITTEE OF BOARD (CSC)

The members of the Customer Service Committee of Board (CSC) are Mr. Amin Manekia (Chairman), Mr. S. Sridhar, Mr. Jamal Pradhan, Mr. Altaf Jiwani, Ms. Rupa Devi Singh and Mr. Murali M. Natrajan. The CSC monitors enhancing the quality of customer service and improving the level of customer satisfaction for all categories of clientele at all times. It also oversees the functioning of Standing Committee of Executives on Customer Service.

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

CAPITAL RAISING COMMITTEE OF BOARD (CRC)

The CRC was last reconstituted on April 14, 2018 and Mr. Ashok Barat was appointed as a member of the CRC. The members of the Capital Raising Committee of Board (CRC) are Mr. Nasser Munjee (Chairman), Mr. Altaf Jiwani, Mr. Ashok Barat, Mr. Imran Contractor, Mr. S. Sridhar and Mr. Murali M. Natrajan. The CRC has been formed to, inter alia, formulate capital raising plans of the Bank to raise resources through various alternative channels and to expedite the process of preparation and approval of offer documents/information memorandum, fixing of terms and conditions including pricing, engaging of intermediaries etc. for various kinds of securities, at opportune times.

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

INFORMATION TECHNOLOGY STRATEGY COMMITTEE OF BOARD (ITSC)

The members of the Information Technology Strategy Committee of Board (ITSC) are Mr. C. Narasimhan (Chairman), Mr. Imran Contractor, Mr. Iqbal Khan and Mr. Jamal Pradhan. Mr. R. Venkattesh, Head–Ops., Tech & HR is also a member of the ITSC as a Management Representative. ITSC, inter alia, approves IT related strategy, Roadmap for initiatives, Budget and investments to support Bank's growth strategies in accordance with the Business Plan.

During the year, ITSC met on three (3) occasions.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE OF BOARD (CSR COMMITTEE)

The members of the CSR Committee are Mr. Nasser Munjee (Chairman), Mr. Imran Contractor, Ms. Rupa Devi Singh, Mr. S. Sridhar and Mr. Murali M. Natrajan, MD & CEO. The Committee was last re-constituted on April 14, 2018 and Mr. S. Sridhar was added as a member.

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

During the year, the CSR Committee had met once.

WILFUL DEFAULTERS REVIEW COMMITTEE OF BOARD (WDRC)

The members of the Wilful Defaulters – Review Committee are Mr. Murali M. Natrajan (Chairman) and any two Independent Directors out of the following, depending upon their availability, as its members viz. Mr. Altaf Jiwani, Mr. Ashok Barat, Mr. Imran Contractor, Mr. S. Sridhar and Ms. Rupa Devi Singh.

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

SUMMARY OF ATTENDANCE OF DIRECTORS FOR FY 2018-19

Sr. No.	Name of Director	Appointed On	BM	ACB	CCB	ECB	CRC	RMC	FRMC	NRC	SRC	CSC	ITSC	CSR	WDRC
	No. of Meetings held		7	8	25	0	0	4	3	5	4	4	3	1	0
1	Nasser Munjee	June 29, 2005	6	NM	NM	0	0	NM	NM	5	NM	NM	NM	1	NM
2	Murali M. Natrajan	April 29, 2009	6	NM	NM	NM	0	4	3	NM	NM	2	NM	1	0
3	Amin Manekia	January 12, 2012	5	NM	25	NM	NM	4	NM	5	4	4	NM	NM	NM
4	Altaf Jiwani	January 12, 2012	6	7	NM	0	0	NM	1	3	2	2	NM	NM	0
5	C. Narasimhan	October 12 , 2012	7	NM	25	NM	NM	4	3	NM	NM	NM	3	NM	NM
6	S. Sridhar	October 12 , 2012	7	NM	25	NM	0	NM	NM	4	NM	4	NM	0	0
7	Imran Contractor	October 12 , 2012	6	8	NM	0	0	4	NM	NM	4	NM	2	0	0
8	Jamal Pradhan	January 15, 2013	5	NM	NM	NM	NM	NM	3	NM	NM	2	3	NM	NM
9	Shaffiq Dharamshi	January 13, 2015	3	3	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
10	Rupa Devi Singh	January 22, 2015	6	NM	25	NM	NM	NM	NM	5	NM	4	NM	1	0
11	Iqbal Khan	July 15, 2017	5	NM	NM	0	NM	NM	NM	NM	NM	NM	1	NM	NM
12	Ashok Barat	March 22, 2018	5	7	NM	NM	0	4	2	NM	NM	NM	NM	NM	0

NM = Not Member

Note: During the year, as per the requirement, a meeting of Independent Directors was also held on March 14, 2019 and the same was attended by all the Independent Directors except Mr. Ashok Barat.

REMUNERATION OF DIRECTORS

Honorarium to Chairman

The Chairman Mr. Nasser Munjee was paid honorarium of ₹ 24 Lakh for FY 2018-19 as per the RBI approvals vide its letter No. DBOD. ApptNo.961/29.03.001/2017-18 dated July 28, 2017.

Mr. Munjee is not paid any sitting fees for attending the meetings of Board / Committees.

Remuneration to MD & 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 & Chief Executive Officer (MD & CEO) of the Bank. The details of the remuneration paid to him during FY 2018-19 are as follows:

Particulars	Amount (₹)*
Basic	22,848,000
Allowances and Perquisite value	23,767,383
Bonus (F.Y.) 2017-18	Nil
Contribution to Provident Fund	2,741,760
No. of Employee Stock Options granted during the year (2018-19)	Nil

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 during the Financial Year 2018-19. No sitting fees were paid to him for attending the meetings of the Board and Committees thereof.

For FY 2018-19, MD & CEO's remuneration remains unchanged. Approval from RBI for Bonus for FY 2017-18 is awaited.

Further, Mr. Murali M. Natrajan, MD & CEO has not been granted any Employee Stock Options during the year under review in terms of the ESOPs scheme of the Bank. Mr. Natrajan has exercised 50,000 Stock Options during the year.

Other than the Honorarium paid to the Chairman, only sitting fees are paid to the non-executive Directors during the year as under:

Name of Director	Sitting Fees (₹)
Mr. Altaf Jiwani	970,000
Mr. Amin Manekia	2,230,000
Mr. Ashok Barat	860,000
Mr. Imran Contractor	1,120,000
Mr. Iqbal Khan	300,000
Mr. Jamal Pradhan	570,000
Mr. C. Narasimhan	2,040,000
Ms. Rupa Devi Singh	1,990,000
Mr. S. Sridhar	19,60,000
Mr. Shaffiq Dharamshi	NIL
Total	**12,040,000**

No single non-executive director is paid remuneration exceeding fifty percent of the total annual remuneration paid to all the non-executive directors during the financial year 2018-19.

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AS DIRECTOR AT THE FORTHCOMING ANNUAL GENERAL MEETING

Name of Director	**Mr. Amin Manekia**	**Mr. Altaf Jiwani**	**Mr. Imran Contractor**
Date of Birth	June 16, 1961	January 23, 1967	October 16, 1961
Date of the original Appointment	January 12, 2012	January 12, 2012	October 12, 2012
Date of the last re-appointment	June 01, 2017	June 06, 2014 (Independent Director w.e.f. April 01, 2014)	June 06, 2014 (Independent Director w.e.f. April 01, 2014)
Expertise in Specific Functional area	Co-operation, Finance, Marketing & Banking	Industry & Finance	Finance, Investments and Software Technology
Qualification	MBA, Babson College, USA, B.Com.	B.E.(Production), M.M.S. (Finance)	B. Com., Chartered Accountant, Cost Accountant and holder of Certificate in Software Technology from NCST
Directorship in other Public Limited companies as on March 31, 2019	2	1	NIL
Chairman/ Member of the Committee of the Board of Directors of the Bank as on March 31, 2019	Chairman: (i) Customer Service Committee Member: (i) Credit Committee (ii) Risk Management Committee (iii) Stakeholders' Relationship Committee (iv) Nomination & Remuneration Committee	Chairman: NIL Member: (i) Audit Committee (ii) Executive Committee (iii) Capital Raising Committee (iv) Fraud Reporting & Monitoring Committee (v) Nomination & Remuneration Committee (vi) Stakeholders' Relationship Committee (vii) Customer Service Committee (viii) Wilful Defaulter Review Committee	Chairman: (i) Stakeholders' Relationship Committee (ii) Risk Management Committee Member: (i) Executive Committee (ii) Capital Raising Committee (iii) Audit Committee (iv) Information Technology Strategy Committee (v) Corporate Social Responsibility Committee (vi) Wilful Defaulter Review Committee
Chairman/ member of the Committee of Directors of the other Companies in which he is a Director as on March 31, 2019.			
a. Audit Committee	Chairman IVP Ltd Member: NIL	NIL	NIL
b. Stakeholders' Relationship Committee	Chairman: NIL Member: NIL	NIL	NIL
c. Other Committees	Chairman : 2 Member : NIL	NIL	NIL
Number of equity Shares held in the Bank as on March 31, 2019	17,303	NIL	4,575

Name of Director	**Mr. S. Sridhar**	**Mr. C. Narasimhan**
Date of Birth	May 09, 1951	July 04, 1951
Date of the original Appointment	October 12, 2012	October 12, 2012
Date of the last re-appointment	June 06, 2014 (Independent Director w.e.f. April 01, 2014)	June 06, 2014 (Independent Director w.e.f. April 01, 2014)
Expertise in Specific Functional area	Banking	Banking, Investment and M&A
Qualification	M. Sc., CAIIB, Dip. In Systems Mgmt.	B.Sc., M.B.A.
Directorship in other Public Limited companies as on March 31, 2019	6	NIL
Chairman/ Member of the Committee of the Board of Directors of the Bank as on March 31, 2019	Chairman: (i) Credit Committee Member: (i) Capital Raising Committee (ii) Nomination & Remuneration Committee (iii) Customer Service Committee (iv) Corporate Social Responsibility Committee (v) Wilful Defaulter Review Committee	Chairman: (i) Information Technology Strategy Committee Member: (i) Credit Committee (ii) Risk Management Committee (iii) Fraud Reporting & Monitoring Committee
Chairman/ member of the Committee of Directors of the other Companies in which he is a Director as on March 31, 2019.		
a. Audit Committee	Chairman: (i) Jubilant Life Services Limited (ii) Strides Arcolab Ltd. (iii) India Infoline Housing Finance Company Limited (iv) Shriram Transport Finance Company Limited Member: NIL	NIL
b. Stakeholders' Relationship Committee	Chairman: (i) Jubilant Life Services Limited	NIL
c. Other Committees	Chairman : NIL Member: NIL	NIL
Number of equity Shares held in the Bank as on March 31, 2019	NIL	NIL

DECLARATION GIVEN BY INDEPENDENT DIRECTORS

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

GENERAL BODY MEETINGS HELD DURING THE LAST THREE YEARS

Date	Venue	Special Resolution passed
23rd AGM 02.06.2018 at 2.30 p.m.	Rama & Sundri Watumull Auditorium, K. C. College, Dinshaw Wacha Road, Churchgate, Mumbai – 400 020.	1. Raising of Funds by issue of bonds / debentures/ securities on Private Placement basis. 2. Increase in borrowing powers. 3. Amendments in the Object Clause of Memorandum of Association of the Bank.
22nd AGM 01.06.2017 at 2.30 p.m.	Rama & Sundri Watumull Auditorium, K. C. College, Dinshaw Wacha Road, Churchgate, Mumbai – 400 020.	1. Raising of Funds by issue of bonds / debentures/ securities on Private Placement basis. 2. Increase in borrowing powers.
21st AGM 01.06.2016 at 2.30 p.m.	Rama & Sundri Watumull Auditorium, K. C. College, Dinshaw Wacha Road, Churchgate, Mumbai – 400 020.	Raising of Funds by issue of bonds / debentures/ securities on Private Placement basis.

Postal Ballot:

During the year under review the Bank had not sought approval of the members through Postal Ballot.

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

GENERAL INFORMATION FOR SHAREHOLDERS

Financial Calendar - For each calendar quarter, the financial results are reviewed and taken on record by the Board around the 2nd or 3rd week of the month subsequent to the quarter ending. The audited annual accounts as at March 31 are approved by the Board, after are view thereof by the Audit Committee of the Board. The Annual General Meeting to consider such annual accounts is generally held in the first quarter of the immediately succeeding financial year.

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)

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, 2019.

SHAREHOLDERS HOLDING 1% AND ABOVE SHARES IN THE BANK AS ON MARCH 31, 2019

Sr. No	Name	No. of Shares	% to Capital
1	AGA KHAN FUND FOR ECONOMIC DEVELOPMENT SA	43,750,052	14.13
2	MATTHEWS INDIA FUND	12,644,736	4.09
3	INDIA ADVANTAGE FUND S4 I	12,473,881	4.03
4	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE SMALL AND MIDCAP FUND (All Schemes)	12,312,434	3.98
5	TANO MAURITIUS INDIA FVCI II	9,175,449	2.96
6	DSP SMALL CAP FUND (All Schemes)	9,108,062	2.94
7	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MIDCAP (All Schemes)	7,573,463	2.45
8	PRAZIM TRADING AND INVESTMENT CO. PVT. LTD.	6,852,848	2.21
9	FRANKLIN INDIA SMALLER COMPANIES FUND	6,249,096	2.02
10	STEINBERG INDIA EMERGING OPPORTUNITIES FUND LIMITED	5,800,000	1.87
11	TATA MUTUAL FUND- TATA EQUITY P/E FUND (All Schemes)	5,405,000	1.75
12	APAX GLOBAL ALPHA LIMITED	4,674,472	1.51
13	L&T MUTUAL FUND TRUSTEE LIMITED-L&T EMERGING BUSINESSES FUND (All Schemes)	3,900,368	1.26
14	ABU DHABI INVESTMENT AUTHORITY - BEHAVE	3,823,100	1.24
15	ICICI PRUDENTIAL BANKING AND FINANCIAL SERVICES FUND (All Schemes)	3,545,006	1.14
	Total	**147,287,967**	**47.58**

DISTRIBUTION OF SHAREHOLDING AS ON March 31, 2019

Number of Equity shares held	Folio Numbers	Shares % to total holders	Numbers	% to total shares
upto 500	136,889	81.9116	17,341,884	5.6023
501 to 1000	12,447	7.4480	9,572,972	3.0926
1001 to 2000	11,764	7.0393	15,930,870	5.1465
2001 to 3000	2,359	1.4116	5,847,500	1.8891
3001 to 4000	841	0.5032	2,972,758	0.9604
4001 to 5000	711	0.4255	3,288,464	1.0623
5001 to 10000	1,105	0.6612	7,961,633	2.5720
10001 & Above	1,002	0.5996	246,630,817	79.6748
Total	**167,118**	**100.0000**	**309,546,898**	**100.0000**

Out of the above 167,118 folios, 127,354 folios comprise 302,692,084 shares forming 97.78% of the issued share capital, which are in dematerialised mode. Another 39,764 folios comprise 6,854,814 shares constituting 2.21% of the share capital that are held in physical mode. Promoters' entire shareholding is in dematerialised mode.

DCB Bank Limited-Shareholding Pattern as on March 31, 2019

Table I - Summary Statement holding of specified securities

Category	Category of shareholder	Number of share holders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: X	Class eg: y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII)As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	3	46200234	0	0	46200234	14.9251	46200234	0	46200234	14.9251	0	14.9251	0	0.0000	0	0.0000	46200234
(B)	Public	167115	263346664	0	0	263346664	85.0749	263346664	0	263346664	85.0749	0	85.0749	0	0.0000	NA	NA	256491850
(C)	Non Promoter - Non Public				0				0			0			0.0000	NA	NA	
(C1)	Shares Underlying DRs	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
(C2)	Shares Held By Employee Trust	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
	Total	**167118**	**309546898**	**0**	**0**	**309546898**	**100.0000**	**309546898**	**0**	**309546898**	**100.0000**	**0**	**100.0000**	**0**	**0.0000**	**0**	**0.0000**	**302692084**

DCB Bank Limited

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

	Category and name of shareholder	PAN	Number of share holders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
									No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
									Class eg: X	Class eg: y	Total								
	(I)	(II)	(III)*-	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII)As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
1	**Indian**																		
(a)	Individuals / Hindu Undivided Family		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0
(b)	Central Government / State Government(s)		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0
(c)	Financial Institutions / Banks		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0
(d)	Any Other (Specify)		1	2450182	0	0	2450182	0.7915	2450182	0	2450182	0.7915	0	0.7915	0	0.0000	0	0.0000	2450182
	Bodies Corporate		1	2450182	0	0	2450182	0.7915	2450182	0	2450182	0.7915	0	0.7915	0	0.0000	0	0.0000	2450182
	Platinum Jubilee Investments Ltd.		1	2450182	0	0	2450182	0.7915	2450182	0	2450182	0.7915	0	0.7915	0	0.0000	0	0.0000	2450182
	Sub Total (A)(1)		1	2450182	0	0	2450182	0.7915	2450182	0	2450182	0.7915	0	0.7915	0	0.0000	0	0.0000	2450182
2	**Foreign**																		
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0
(b)	Government		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0
(c)	Financial Institutions / Banks		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0
(d)	Foreign Portfolio Investor		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0
(e)	Any Other (Specify)		2	43750052	0	0	43750052	14.1336	43750052	0	43750052	14.1336	0	14.1336	0	0.0000	0	0.0000	43750052
	Bodies Corporate		2	43750052	0	0	43750052	14.1336	43750052	0	43750052	14.1336	0	14.1336	0	0.0000	0	0.0000	43750052
	Aga Khan Fund For Economic Development SA		2	43750052	0	0	43750052	14.1336	43750052	0	43750052	14.1336	0	14.1336	0	0.0000	0	0.0000	43750052
	Sub Total (A)(2)		**2**	**43750052**	**0**	**0**	**43750052**	**14.1336**	**43750052**	**0**	**43750052**	**14.1336**	**0**	**14.1336**	**0**	**0.0000**	**0**	**0.0000**	**43750052**
	Total Shareholding of Promoter And Promoter Group (A)= (A)(1)+(A)(2)		**3**	**46200234**	**0**	**0**	**46200234**	**14.9251**	**46200234**	**0**	**46200234**	**14.9251**	**0**	**14.9251**	**0**	**0.0000**	**0**	**0.0000**	**46200234**

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

Note:

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

(2) The term 'Encumbrance' has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

DCB Bank Limited

Table III - Statement showing shareholding pattern of the Public shareholder

	Category and name of shareholder	PAN	Number of share holders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
									No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
									Class eg: X	Class eg: y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII)As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
1	**Institutions**																		
(a)	Mutual Fund		58	54113712	0	0	54113712	17.4816	54113712	0	54113712	17.4816	0	17.4816	0	0.0000	NA	NA	54113712
	Aditya Birla Sun Life Trustee Private Limited A/c Aditya Birla Sun Life Small and Midcap Fund			12312434	0	0	12312434	3.9776	12312434	0	12312434	3.9776	0	3.9776	0	0.0000	NA	NA	12312434
	DSP Small Cap Fund			9108062	0	0	9108062	2.9424	9108062	0	9108062	2.9424	0	2.9424	0	0.0000	NA	NA	9108062
	Sundaram Mutual Fund A/C Sundaram Midcap Fund			7573463	0	0	7573463	2.4466	7573463	0	7573463	2.4466	0	2.4466	0	0.0000	NA	NA	7573463
	Franklin India Smaller Companies Fund			6249096			6249096	2.0188	6249096	0	6249096	2.0188	0	2.0188	0	0.0000	NA	NA	6249096
	Tata Mutual Fund- Tata Equity P/E Fund			5405000			5405000	1.7461	5405000	0	5405000	1.7461	0	1.7461	0	0.0000	NA	NA	5405000
	L&T Mutual Fund Trustee Limited-L&T Emerging Businesses Fund			3900368			3900368	1.2600	3900368	0	3900368	1.2600	0	1.2600	0	0.0000	NA	NA	3900368
	ICICI Prudential Banking and Financial Services Fund			3545006	0	0	3545006	1.1452	3545006	0	3545006	1.1452	0	1.1452	0	0.0000	NA	NA	3545006
(b)	Venture Capital Funds		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
(c)	Alternate Investment Funds		7	19863864	0	0	19863864	6.4171	19863864	0	19863864	6.4171	0	6.4171	0	0.0000	NA	NA	19863864
	India Advantage Fund S4 I			12473881	0	0	12473881	4.0297	12473881	0	12473881	4.0297	0	4.0297	0	0.0000	NA	NA	12473881
(d)	Foreign Venture Capital Investors		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
(e)	Foreign Portfolio Investor		126	80379538	0	0	80379538	25.9668	80379538	0	80379538	25.9668	0	25.9668	0	0.0000	NA	NA	80379538
	Matthews India Fund			12644736	0	0	12644736	4.0849	12644736	0	12644736	4.0849	0	4.0849	0	0.0000	NA	NA	12644736
	Tano Mauritius India FVCI II			9175449	0	0	9175449	2.9642	9175449	0	9175449	2.9642	0	2.9642	0	0.0000	NA	NA	9175449
	Steinberg India Emerging Opportunities Fund Limited			5800000	0	0	5800000	1.8737	5800000	0	5800000	1.8737	0	1.8737	0	0.0000	NA	NA	5800000
	Apax Global Alpha Limited			4674472	0	0	4674472	1.5101	4674472	0	4674472	1.5101	0	1.5101	0	0.0000	NA	NA	4674472
	Abu Dhabi Investment Authority - BEHAVE			3823100	0	0	3823100	1.2351	3823100	0	3823100	1.2351	0	1.2351	0	0.0000	NA	NA	3823100
(f)	Financial Institutions / Banks		2	822605	0	0	822605	0.2657	822605	0	822605	0.2657	0	0.2657	0	0.0000	NA	NA	822605
(g)	Insurance Companies		2	2929951	0	0	2929951	0.9465	2929951	0	2929951	0.9465	0	0.9465	0	0.0000	NA	NA	2929951
(h)	Provident Funds/ Pension Funds		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
(i)	Any Other (Specify)		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
	Sub Total (B)(1)		**195**	**158109670**	**0**	**0**	**158109670**	**51.0778**	**158109670**	**0**	**158109670**	**51.0778**	**0**	**51.0778**	**0**	**0.0000**	**NA**	**NA**	**158109670**
2	Central Government/ State Government(s)/ President of India																		
	Sub Total (B)(2)		**0**	**0**	**0**	**0**	**0**	**0.0000**	**0**	**0**	**0**	**0.0000**	**0**	**0.0000**	**0**	**0.0000**	**NA**	**NA**	**0**

	Category and name of shareholder	PAN	Number of share holders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
									No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
									Class eg: X	Class eg: y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII)As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
3	**Non-Institutions**																		
(a)	Individuals		159445	73062407			73062407	23.6030	73062407		73062407	23.6030		23.6030		0.0000			66480837
i	Individual shareholders holding nominal share capital up to ₹ 2 lakhs.		155156	59218094	0	0	59218094	19.1306	59218094	0	59218094	19.1306	0	19.1306	0	0.0000	NA	NA	52636725
ii	Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs.		289	13844313	0	0	13844313	4.4724	13844313	0	13844313	4.4724	0	4.4724	0	0.0000	NA	NA	13844112
(b)	NBFCs registered with RBI		6	10525	0	0	10525	0.0034	10525	0	10525	0.0034	0	0.0034	0	0.0000	NA	NA	10525
(c)	Employee Trusts		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
(d)	Overseas Depositories(holding DRs) (balancing figure)		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
(e)	Any Other (Specify)		7469	32164062	0	0	32164062	10.3907	32164062	0	32164062	10.3907	0	10.3907	0	0.0000	NA	NA	31890818
	Trusts		12	27123	0	0	27123	0.0088	27123	0	27123	0.0088	0	0.0088	0	0.0000	NA	NA	26088
	Foreign Nationals		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
	Hindu Undivided Family		2630	1903119	0	0	1903119	0.6148	1903119	0	1903119	0.6148	0	0.6148	0	0.0000	NA	NA	1903119
	Foreign Companies		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
	Directors/Relative of Directors		20	2578457	0	0	2578457	0.8330	2578457	0	2578457	0.8330	0	0.8330	0	0	NA	NA	2572291
	Employee		356	1657061	0	0	1657061	0.5353	1657061	0	1657061	0.5353	0	0.5353	0	0	NA	NA	1626308
	Non Resident Indians (Non Repat)		868	1748308	0	0	1748308	0.5648	1748308	0	1748308	0.5648	0	0.5648	0	0.0000	NA	NA	1747183
	Non Resident Indians (Repat)		1711	3084858	0	0	3084858	0.9966	3084858	0	3084858	0.9966	0	0.9966	0	0.0000	NA	NA	3084858
	Foreign Portfolio Investor (Individual)		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
	Clearing Member		382	1303730	0	0	1303730	0.4212	1303730	0	1303730	0.4212	0	0.4212	0	0.0000	NA	NA	1303730
	Enemy Property		26	123	0	0	123	0.0000	123	0	123	0.0000	0	0.0000	0	0.0000	NA	NA	0
	Bodies Corporate		1464	19861283	0	0	19861283	6.4162	19861283	0	19861283	6.4162	0	6.4162	0	0.0000	NA	NA	19627241
	Prazim Trading And Investment Co. Pvt. Ltd.			6852848	0	0	6852848	2.2138	6852848	0	6852848	2.2138	0	2.2138	0	0.0000	NA	NA	6852848
	Sub Total (B)(3)		166920	105236994	0	0	105236994	33.9971	105236994	0	105236994	33.9971	0	33.9971	0	0.0000	NA	NA	98382180
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)		167115	263346664	0	0	263346664	85.0749	263346664	0	263346664	85.0749	0	85.0749	0	0.0000	NA	NA	256491850

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):
Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

No. of shareholders	No. of Shares	No. of Shares
0	0	0

Note:
(1) PAN would not be displayed on website of Stock Exchange(s).
(2) The above format needs to be disclosed along with the name of following persons :Institutions/Non Institutions holding more than 1% of total number of shares
(3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.

OUTSTANDING WARRANTS/ADRS/GDRS/ CONVERTIBLE INSTRUMENTS

None.

DATE OF THE BOARD MEETING AT WHICH THE FINANCIAL STATEMENTS AND THE QUARTERLY RESULTS WERE APPROVED: April 18, 2019.

FINANCIAL YEAR

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

DIVIDEND PAYMENT DATE:

The dividend for the financial Year 2017-18 declared on June 2, 2018 was paid on June 4, 2018 to all those shareholders who were entitled to receive the same.

FAMILIARISATION PROGRAMME:

The details of Familiarisation programme arranged for Independent Directors have been hosted on website of the Bank and are available at the following link:

https://www.dcbbank.com/pdfs/Familarisation-Programme-forIndependent-Directors-2018-19.pdf

COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

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

The Bank does not have direct exposure on any commodities. The Bank has exposure to borrowers which are secured against various commodities.

DATE OF BOOK CLOSURE:

The Register of Members and Share Transfer Books of the Bank will remain closed from Saturday, May 25, 2019 to Saturday, June 01, 2019 (both days inclusive).

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

The Twenty Fourth Annual General Meeting of the Bank will be held at Rama & Sundri Watumull Auditorium, K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai – 400020 on Saturday, June 1, 2019 at 2.30 p.m.

LAST DATE OF RECEIPT OF PROXY FORMS:

The instrument appointing the proxy, in order to be effective, should be duly stamped, completed and signed and deposited at the Registered Office of the Bank not less than 48 hours before the commencement of the meeting.

DIVIDEND:

Your Board is pleased to recommend a dividend of ₹ 1.00 per equity share of ₹ 10/- each in respect of this financial year ended March 31, 2019. Your Bank has a Dividend Distribution Policy as approved by the Board and is hosted on the website of the Bank at the link:

http://www.dcbbank.com/pdfs/Dividend_Distribution_Policy.pdf

BRANCHES

The Bank has 333 branches and 504 ATM centers (both onsite and offsite) as at March 31, 2019.

CODE FOR PREVENTION OF INSIDER TRADING

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

DISCLOSURES:

1. The Bank has not entered into any materially significant transaction during the year, which could have a potential conflict of interest between the Bank and its promoters, directors, management and/ or their relatives, etc. other than the transactions carried out in the normal course of business.
2. During the last 3 years, there were no other penalties or strictures imposed on the Bank by the Stock Exchange(s) andor SEBI and/ or any other statutory authorities on matters relating to capital market activities except the Reserve Bank of India (RBI), vide its order dated February 25, 2019 imposed a monetary penalty of ₹ 20 million on the Bank for delay in adherence to its directives on "Time-bound implementation and strengthening of SWIFT-related operational controls" contained in the RBI circular dated February 20, 2018. The Bank has taken necessary measures to implement and strengthen SWIFT-related operational controls and to ensure compliance with RBI directions in this regard.
3. There are no relationships between the Directors of the Bank, inter-se.
4. The Bank has in place a vigil mechanism pursuant to which a Whistle Blower Policy has been in vogue for the last several years. This Policy, inter alia, provides a direct access to a Whistle Blower to the Chairman of the Audit Committee of the Board (ACB) on his dedicated email-ID cacb@dcbbank.com. The Whistle Blower Policy covering all employees and directors is hosted on the Bank's website at "http://www. dcbbank.com/cms/showpage/page/whistle-blower-policy". The Bank hereby affirms that none of the Bank's personnel have been denied access to the ACB.
5. The bank has a policy on Related Party Transactions and the same has been displayed on the bank's website at: http://www.dcbbank.com/pdfs/policy_on_Related_Party_Transactions_2018_19.pdf
6. 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.
7. Total fees of ₹ 92 Lakh was paid/provided on a consolidated basis to the statutory auditors during the year for all the services

provided by them to the Bank.

8. A certificate dated April 16, 2019 from M/s. S. N. Ananthasubramanian & Co., Company Secretaries in Practice have 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.
9. The Bank has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013]. The details of complaints received and redressed during the financial year 2018-19 are as under:
   a. number of complaints filed during the financial year : 5
   b. number of complaints disposed of during the financial year: 5
   c. number of complaints pending as on end of the financial year.: NIL

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 four out of the five 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 duties is allowed. None of the Directors of the Bank, other than its Chairman and/or whole time director, can hold office continuously for a period exceeding eight years.

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 2018-19. The Bank wishes to continue in the regime of unqualified financial statements as well as Secretarial Audit Report.

3. SEPARATE POSTS OF CHAIRPERSON AND CHIEF EXECUTIVE OFFICER

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

4. REPORTING OF INTERNAL AUDITOR

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

5. 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 2018-19 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. Phiroze Jeejebhoy Towers, Dalal Street, Fort, Mumbai - 400 001	532772	INE503A01015
2.	Equity Shares on National Stock Exchange of India Ltd. (NSE) Exchange Plaza, 5th Floor, Bandra Kurla Complex, Bandra (East)	DCB BANK	INE503A01015
3	Tier II Bonds issued on March 31, 2016 have been listed on NSE under WDM segment	DCB26	INE503A08010
4	Tier II Bonds issued on November 18, 2016 have been listed on NSE under WDM segment	DCB26	INE503A08028
5	Tier II Bonds issued on November 17, 2017 have been listed on NSE under WDM segment	DCB27	INE503A08036
6	Tier II Bonds issued on January 12, 2018 have been listed on BSE and NSE under WDM segment	NSE- DCB 28 BSE-957380	INE503A08044

Names of Depositories in India for dematerialisation of equity shares and Tier II Bonds.

National Securities Depository Ltd. (NSDL)

Central Depository Services (India) Ltd. (CDSL)

The Bank's shares/bonds are traded compulsorily in dematerialised (Demat) mode. The dematerialised 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, Link Intime India Private. Ltd., and approved by the Share Transfer Committee of the Bank. Link Intime India Private. Ltd. processes the share transfers within a period of 15 days from the date of receipt of the transfer documents.

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 not being sent to every shareholder as the Bank's quarterly results are published in a national English daily newspaper (Business Standard), and a local Marathi daily newspaper (Loksatta /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.

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 transfer deeds and any other documents or for any grievances/ complaints, kindly contact the RTAs at the following address:

LINK INTIME INDIA PRIVATE LTD.,

Registrars and Transfer Agents.

CIN: U67190MH1999PTC118368

Unit: DCB BANK LIMITED

C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai – 400083.

Tel No: +912249186000 (Board Line) 022-49186270 (Investor Helpdesk)

Fax: +91 22 49186060

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

Website: www.linkintime.co.in

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

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

Details of Debenture Trustee:

IDBI Trusteeship Services Ltd.

Asian Building, Ground Floor,

17, R. Kamani Marg, Ballard Estate,

Mumbai 400 001.

Website: www.idbitrustee.com

Tel: +91 22 4080 7000

Fax: +91 22 6631 1776

Email: itsl@idbitrustee.com

Name of the Compliance Officer of the Bank

Ms. Rubi Chaturvedi - Company Secretary

Telephone: 020 6618 7013 • Fax: 022 66589970

Email id: rubi.chaturvedi@dcbbank.com

ADDRESS OF THE REGISTERED & CORPORATE OFFICE OF THE BANK:

DCB Bank Limited

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

Senapati Bapat Marg, Lower Parel,

Mumbai - 400 013.

Telephone: 022-66187000

Fax: 022-66589970

Date of Incorporation: 31-05-1995

Registration No.11-89008 of 1995

CIN:L99999MH1995PLC089008

Website: www.dcbbank.com

E-mail ID: investorgrievance@dcbbank.com

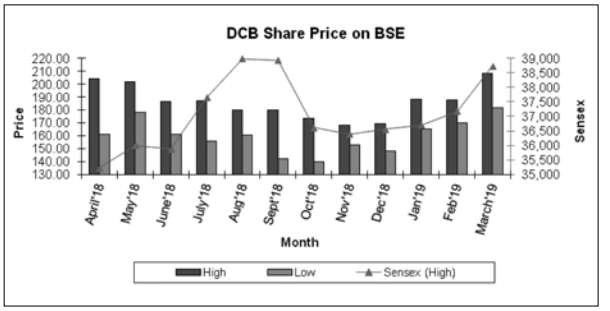
DCB BANK SHARE PRICE & VOLUME OF SHARES TRADED

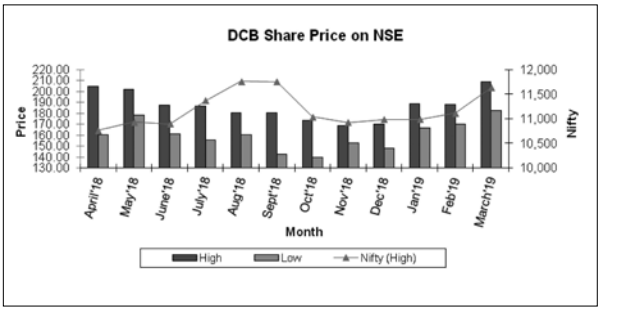
The monthly high and low quotation and volume of shares traded on the BSE Ltd. (BSE).

Month	Highest (₹)	Lowest (₹)	Volume of shares traded during the Month	Sensex (High)
Apr '18	204.55	161.30	3,858,382	35,213.30
May '18	201.75	178.10	2,625,021	35,993.53
Jun '18	186.30	161.10	4,563,523	35,877.41
Jul '18	187.00	156.00	2,703,590	37,644.59
Aug '18	179.85	160.65	2,320,826	38,989.65
Sep '18	179.95	142.25	3,463,152	38,934.35
Oct '18	173.35	139.50	3,063,933	36,616.64
Nov '18	168.00	152.55	1,095,215	36,389.22
Dec '18	169.50	148.00	2,034,999	36,554.99
Jan '19	188.50	165.00	4,030,405	36,701.03
Feb '19	187.90	170.15	1,293,575	37,172.18
Mar '19	208.50	182.00	2,319,266	38,748.54

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

Month	Highest (₹)	Lowest (₹)	Volume of shares traded during the Month	Nifty (High)
Apr '18	204.60	160.45	71,570,269	10,759.00
May '18	202.00	178.05	30,061,603	10,929.20
Jun '18	187.00	161.05	23,425,357	10,893.25
Jul '18	186.50	155.65	49,994,393	11,366.00
Aug '18	180.20	160.50	28,592,694	11,760.20
Sep '18	180.20	142.10	31,416,776	11,751.80
Oct '18	173.50	139.85	41,460,896	11,035.65
Nov '18	168.30	152.50	25,552,973	10,922.45
Dec '18	170.00	148.00	25,207,379	10,985.15
Jan '19	188.40	166.70	56,284,614	10,987.45
Feb '19	188.10	170.30	26,342,037	11,118.10
Mar '19	208.95	182.45	41,638,256	11,630.35





I confirm that for the year under review, all Directors and senior management have affirmed their adherence to the provisions of the Code of Conduct.

Murali M. Natrajan

Managing Director & CEO

Date: April 18, 2019

TO THE MEMBERS OF DCB BANK LIMITED

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter reference no. KJM/4987 dated 4 July, 2018.
2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of DCB BANK LIMITED ("the Bank"), have examined the compliance of conditions of Corporate Governance by the Bank, for the year ended on 31 March, 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The Listing regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in Listing Regulations.

Auditors' Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Bank for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.
5. We have examined the books of account and other relevant records and documents maintained by the Bank for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Bank.
6. We have carried out an examination of the relevant records of the Bank in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Bank has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the year ended 31 March, 2019.
9. We state that such compliance is neither an assurance as to the future viability of the Bank nor the efficiency or effectiveness with which the Management has conducted the affairs of the Bank.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 117365W)

Kalpesh J. Mehta
(Partner)
(Membership No. 48791)
UDIN: 19048791AAAAAR2428

Mumbai, 18 April, 2019

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[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 Ltd** (hereinafter called the Company). 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 Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March 2019**, complied with the statutory provisions listed hereunder and also that the Company 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 Company for the financial year ended 31st March, 2019 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;**

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, 2009 (upto 10th November, 2018) and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (with effect from 11th November, 2018) – **Not Applicable as there was no reportable event**;

   d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   f. 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 Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review**;

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable as the Company has not delisted / proposes to delist its equity shares from any stock exchange during the financial year under review**; and

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (upto 10th September 2018) and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (with effect from 11th September 2018) - **Not applicable as the Company has not bought back / proposes to buy-back any of its securities during the financial year under review**.

vi. The Company has identified and confirmed the following laws as being specifically applicable to the Company:

   1. The Banking Regulation Act, 1949 & Banking Companies Rules, 1949 (as amended from time to time);

   2. The Banking Companies (Period of Preservation of Records) Rules, 1985;

   3. The Foreign Exchange Management Act, 1999 and Rules, Regulations and notifications issued from time to time;

   4. The Prevention of Money-Laundering Act (PMLA), 2002 and The Prevention of Money- Laundering (Maintenance of Records, etc.,) Rules, 2005;

   5. The Reserve Bank of India (RBI) Act, 1934;

6. The Reserve Bank of India (Amendment and Misc. Provisions) Act, 1953
7. The Banking Ombudsman Scheme, 2006;
8. The Bankers' Books Evidence Act, 1891;
9. Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002.
10. The Aadhar (Targeted Delivery of Financial and other Subsidies Benefits and Services) Act, 2016
11. The Payment and Settlement Systems Act, 2007
12. The Deposit Insurance and Credit Guarantee Corporation Act, 1961;
13. The Negotiable Instruments Act, 1881;

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

(i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Listing agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above

We further report that: -

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors - Non-Executive Directors including Independent Directors and a Woman Director. No changes in the Composition of the Board took place during the year under review. The re-appointment of the Managing Director of the Company was carried out in compliance with the provisions of the Act.
- 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 Agenda and notes on Agenda less than seven days before the meeting.
- 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.
- All decisions of the Board and Committee meetings were carried unanimously.

We further report that based on the review of the compliance mechanism established by the Company and on the basis of Compliance Certificate(s) issued by a) the Company Secretary and b) the Managing Director based on the certificates issued by functional heads to him, to the Board of Directors and taken on record by them at their meeting(s), we are of the opinion that there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines:-

- as informed, the Company has responded appropriately to notices received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.
- has remitted on 11th March, 2019 Rs. 2 Crore as penalty imposed by Reserve Bank of India vide its order dated 25th February 2018 for delay in adherence to its directives on 'Time-bound implementation and strengthening of SWIFT-related operational controls' contained in the RBI circular dated February 20, 2018.

We further report that during the audit period:

- The Company has vide Board resolution passed on 14th April 2018 initiated the process to alter the Object Clause of the Memorandum of Association of the Company to widen the scope of its products and services and to diversify into other business activities within the ambit of the Banking Regulations Act, 1949.
- The Members vide their Resolution passed at the Annual General Meeting of the Company held on 2nd June 2018 increased the borrowings powers of the Board to an amount not exceeding Rs. 3,200 crore or the aggregate of the Paid up capital, Securities Premium and free reserves, whichever is higher.

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

S. N. Ananthasubramanian
Partner
FCS: 4206
C.P No: 1774
Date : 16th April 2019
Place: Thane

To,

The Members,

DCB Bank Limited

CIN: L99999MH1995PLC089008

601 & 602, Peninsula Business Park, Tower A,

Senapati Bapat Marg, Lower Parel,

Mumbai - 400013.

Our Secretarial Audit Report for the Financial Year ended 31st March, 2019, of even date, is to be read along with this letter.

Management's Responsibility.

1. It is the responsibility of the management of the Company 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 Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

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

For S. N. ANANTHASUBRAMANIAN & CO.

Company Secretaries

S. N. Ananthasubramanian

Partner

FCS: 4206

C.P No: 1774

Date: 16th April 2019

Place: Thane

Deloitte
Haskins & Sells

Chartered Accountants
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Ahmedabad - 380 015,
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INDEPENDENT AUDITORS' REPORT

To the Members of DCB Bank Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of DCB Bank Limited ("the Bank"), which comprise the Balance Sheet as at 31 March 2019, the Profit and Loss Account, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949, Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards") and other accounting principles generally accepted in India, of the state of affairs of the Bank as at 31 March 2019, and its profit, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditors' Responsibility 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. 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 the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	Auditors' Response
1	Identification of and provisioning for non-performing assets (loans) in accordance with the RBI guidelines (Refer Schedule 9 read with Note 5-Schedule 17 to the financial statements) The Bank has net advances amounting to ₹ 235,679,972 thousands as at 31 March 2019. Identification of and provisioning for non-performing assets (loans) in accordance with relevant prudential norms issued by the Reserve Bank of India (RBI) in respect of income recognition, asset classification and provisioning pertaining to advances (herein after referred as "Relevant RBI guidelines") is a key audit matter due to the current processes at the Bank which requires manual interventions, management estimates and judgement and level of regulatory and other stakeholders focus. Accordingly, our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances and associated impairment provisions.	Our audit approach included testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of income recognition, asset classification and provisioning pertaining to advances. In particular: • we have evaluated and understood the Bank's internal control system in adhering to the Relevant RBI guidelines regarding income recognition, asset classification and provisioning pertaining to advances; • we have analysed and understood key IT systems/ applications used and tested the design and implementation as well as operational effectiveness of relevant controls, including involvement of manual process and manual controls in relation to income recognition, asset classification and provisioning pertaining to advances ; • we test checked advances to examine the validity of the recorded amounts, loan documentation, examined the statement of accounts, indicators of impairment, impairment provision for non-performing assets, and compliance with income recognition, asset classification and provisioning pertaining to advances; and • evaluated the past trends of management judgement, governance process and review controls over impairment provision calculations including minutes of the Specific Provisions Review Committee meetings and discussed the provisions made with senior management including the Chief Executive Officer, Chief Financial Officer, Chief Risk Officer and Chief Credit Officer.
2	Key Information technology (IT) systems used in financial reporting process The Bank's operational and financial processes are dependent on IT systems due to large volume of transactions that are processed daily. The Bank has constituted an IT Strategy Committee at the Board level to oversee implementation of IT strategy. Accordingly, our audit was focussed on key IT systems and controls due to the pervasive impact on the financial statements.	We involved our IT specialists to obtain an understanding of the Bank's IT related control environment. Furthermore, we conducted an assessment and identified key IT applications, databases and operating systems that are relevant to our audit and have identified CBS and Treasury System primarily as relevant for financial reporting. For the key IT systems pertaining to CBS and treasury operations used to prepare accounting and financial information, our areas of audit focus included Access Security (including controls over privileged access), program change controls, database management and network operations. In particular: • we obtained an understanding of the Bank's IT control environment and key changes during the audit period that may be relevant to the audit and reviewed the minutes of IT Strategy Committee meetings; • we tested the design, implementation and operating effectiveness of the Bank's General IT controls over the key IT systems that are critical to financial reporting. This included evaluation of Bank's controls to evaluate segregation of duties and access rights being provisioned / modified based on duly approved requests, access for exit cases being revoked in a timely manner and access of all users being re-certified during the period of audit; • we also tested key automated and manual business cycle controls and logic for system generated reports relevant to the audit; including testing of compensating controls or performed alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

- The Bank's Board of Directors is responsible for the preparation of the other information. The other information comprises the Chairman's Statement, the Directors' Report including annexures to Directors' Report and Corporate Governance Report included in the Annual report, but does not include the financial statements and our auditors' report thereon and the Pillar III Disclosures under the New Capital Adequacy Framework (Basel III disclosures).

- Our opinion on the financial statements does not cover the other information and the Basel III disclosures, and accordingly, we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Bank's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Bank in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949, the Accounting Standards and other accounting principles generally accepted in India and the guidelines issued by the Reserve Bank of India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Bank's financial reporting process.

Auditors' Responsibility 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 auditors' 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 financial 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 system 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 the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act and Section 30 of the Banking Regulation Act, 1949, based on our audit, 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 and found them to be satisfactory.
   b) In our opinion, the transactions of the Bank which have come to our notice have been within the powers of the Bank.
   c) As explained in paragraph 2 below, the financial accounting systems of the Bank are centralised and, therefore, accounting returns are not required to be submitted by the branches.
   d) 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.
   e) 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.
   f) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, as applicable to banks.
   g) On the basis of the written representations received from the directors as on 31 March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
   h) With respect to the adequacy of the internal financial controls over financial reporting of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Bank's internal financial controls over financial reporting.
   i) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the Act, as amended:
      In our opinion and to the best of our information and according to the explanations given to us, the entity being a banking company, Section 197 of the Act related to the managerial remuneration is not applicable by virtue of Section 35B (2A) of the Banking Regulation Act, 1949.
   j) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
      i. The Bank has disclosed the impact of pending litigations on its financial position in its financial statements;
      ii. 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;
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank.
2. We report that during the course of our audit we have visited and performed select relevant procedures at 20 branches. Since the Bank considers its key operations to be automated, with the key applications largely integrated to the core banking systems, it does not require its branches to submit any financial returns. Accordingly, our audit is carried out centrally at the Head Office and Central Processing Units based on the necessary records and data required for the purposes of the audit being made available to us.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No.117365W)

Kalpesh J. Mehta
Partner
(Membership No. 48791)

Mumbai, 18 April, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 (h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of DCB Bank Limited (the "Bank") as at 31 March, 2019 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Bank's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013, the Banking Regulation Act, 1949 and the guidelines issued by the Reserve Bank of India.

Auditors' Responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditors' 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Bank's internal financial control over financial reporting 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 and other applicable regulations. A Bank's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Bank has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2019, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No.117365W)

Kalpesh J. Mehta
Partner
(Membership No. 48791)

Mumbai, 18 April, 2019

BALANCE SHEET AS AT MARCH 31, 2019

	Schedule	As at 31.03.2019 (₹ in 000's)	As at 31.03.2018 (₹ in 000's)
CAPITAL & LIABILITIES			
Capital	1	**3,095,469**	3,080,849
Employee Stock Options			
(Grants outstanding net of deferred cost)		**11,561**	14,086
Reserves and Surplus	2	**28,048,982**	24,983,384
Capital and Reserves		**31,156,012**	**28,078,319**
Deposits	3	**284,351,142**	240,068,628
Borrowings	4	**27,232,036**	19,267,105
Other Liabilities and Provisions	5	**15,179,135**	14,806,869
TOTAL CAPITAL & LIABILITIES		**357,918,325**	**302,220,921**
ASSETS			
Cash and Balances with Reserve Bank of India	6	**13,172,175**	11,363,898
Balances with Banks and Money at Call and Short Notice	7	**14,761,581**	12,355,949
Investments	8	**78,440,909**	62,189,574
Advances	9	**235,679,972**	203,366,884
Fixed Assets	10	**5,259,832**	4,940,176
Other Assets	11	**10,603,856**	8,004,440
TOTAL ASSETS		**357,918,325**	**302,220,921**
Contingent Liabilities	12	**31,859,279**	69,483,450
Bills for Collection		**3,923,009**	4,093,167
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.

As per our report of even date.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
Firm Registration Number: 117365W

Kalpesh J. Mehta
Partner
Membership No. : 48791

Place : Mumbai
Date : April 18, 2019

For and on behalf of the Board of Directors

Nasser Munjee
Chairman

Murali M. Natrajan
MD & CEO

Ashok Barat
Director

Bharat Sampat
Chief Financial Officer

Rubi Chaturvedi
Company Secretary

Place : Mumbai
Date : April 18, 2019

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2019

		Schedule	Year Ended 31.03.2019 (₹ in 000's)	Year Ended 31.03.2018 (₹ in 000's)
I.	**INCOME**			
	Interest Earned	13	**30,414,880**	24,129,851
	Other Income	14	**3,501,589**	3,102,757
	TOTAL INCOME		**33,916,469**	**27,232,608**
II.	**EXPENDITURE**			
	Interest Expended	15	**18,921,955**	14,175,584
	Operating Expenses	16	**8,528,513**	7,807,316
	Provisions and Contingencies	18 (12.1)	**3,212,340**	2,796,282
	TOTAL EXPENDITURE		**30,662,808**	**24,779,182**
III.	**PROFIT / (LOSS)**			
	Net Profit for the Year		**3,253,661**	2,453,426
	Balance Brought Forward		**4,267,053**	2,740,703
	TOTAL PROFIT/(LOSS)		**7,520,714**	**5,194,129**
IV.	**APPROPRIATIONS**			
	Transfer to Statutory Reserve		**813,415**	613,357
	Transfer to Special Reserve		**219,347**	186,155
	Transfer to Capital Reserve		**54,792**	32,416
	Transfer to / (from) Investment Reserve		**(10,221)**	(29,104)
	Transfer to Investment Fluctuation Reserve		**386,450**	-
	Transfer to / (from) Revaluation Reserve		**(60,566)**	(60,661)
	Dividend Paid incl Dividend Distribution Tax		**278,711**	184,913
	Balance carried over to Balance sheet		**5,838,786**	4,267,053
	TOTAL		**7,520,714**	**5,194,129**
Earnings per share		17 (17)		
	(i) Basic (₹)	18 (11.2)	10.53	8.02
	(ii) Diluted (₹)	18 (11.2)	10.36	7.85
Face Value per share (₹)			10.00	10.00
Significant Accounting Policies		17		
Notes to Accounts		18		

The Schedules referred to above form an integral part of the Profit & 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.

As per our report of even date.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
Firm Registration Number: 117365W

Kalpesh J. Mehta
Partner
Membership No. : 48791

Place : Mumbai
Date : April 18, 2019

For and on behalf of the Board of Directors

Nasser Munjee Chairman
Murali M. Natrajan MD & CEO
Ashok Barat Director

Bharat Sampat Chief Financial Officer
Rubi Chaturvedi Company Secretary

Place : Mumbai
Date : April 18, 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(₹ in 000s)

		Year ended 31.03.2019	Year ended 31.03.2018
Cash Flow from Operating Activities			
Net Profit after tax for the year (Refer Profit and Loss Account)		**3,253,661**	2,453,426
Add: Provision for income tax (Refer Schedule 18 (12.1))		**1,811,736**	1,408,304
Net Profit before tax for the year		**5,065,397**	3,861,730
Adjustments for:			
Provisions for Advances		**1,306,686**	1,292,015
Provisions for Restructured Advances		**(4,243)**	2,243
Provision for Investments		**21,216**	61,078
Provision for Standard Assets		**74,634**	45,972
Provision for Other Assets and Contingencies		**(2,121)**	(22,029)
Depreciation / Amortisation on Fixed Assets		**441,843**	533,617
Loss on Sale of Fixed Assets		**2,687**	3,977
Amortisation of Premium on Held-to-Maturity (HTM) Investments		**176,165**	170,101
Amortisation of Premium on Acquired Assets		**11,669**	15,838
ESOPs Compensation		**646**	1,496
Cash Flow from Operating Activities before adjustments		**7,094,579**	**5,966,038**
Adjustments for:			
Increase/(Decrease) in Deposits		**44,282,514**	47,176,514
Increase/(Decrease) in Other Liabilities & Provisions		**294,461**	1,992,880
(Increase)/Decrease in Investments		**(16,448,716)**	(4,241,309)
(Increase)/Decrease in Advances		**(33,627,200)**	(46,500,656)
(Increase)/Decrease in Other Assets		**(2,290,423)**	(703,290)
Refund/(Payment) of direct taxes (Including Tax Deducted at Source)		**(2,118,607)**	(1,389,705)
Net Cash Flow (used in) / from Operating activities	**A**	**(2,813,392)**	**2,300,472**
Cash flow from Investing activities			
Purchase of Fixed assets		**(781,835)**	(595,833)
Proceeds from sale of Fixed Assets		**17,648**	3,741
Net Cash Flow used in Investing activities	**B**	**(764,187)**	**(592,092)**
Cash flow from Financing activities			
Proceeds from Issue of Capital (including ESOPs)		**105,268**	3,762,726
Issue of Subordinated Debt		**-**	4,500,000
Proceeds from Borrowings		**66,861,341**	169,666,030
Repayment of Borrowings		**(58,896,410)**	(167,656,998)
Dividend and Dividend Tax Paid		**(278,711)**	(184,913)
Net Cash Flow from Financing activities	**C**	**7,791,488**	**10,086,845**
Net Increase in Cash & Cash Equivalents	**A+B+C**	**4,213,909**	**11,795,225**
Cash and cash equivalents at the beginning of the year		**23,719,847**	11,924,622
Cash and cash equivalents at the end of the year		**27,933,756**	23,719,847
Notes to the cash flow statement			
Cash and cash equivalent includes the following:			
Cash and balances with Reserve Bank of India (Refer Schedule 6)		**13,172,175**	11,363,898
Balances with Banks and Money at Call and Short notice (Refer Schedule 7)		**14,761,581**	12,355,949
Cash and Cash equivalent at the end of the year		**27,933,756**	**23,719,847**

As per our report of even date.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
Firm Registration Number: 117365W

Kalpesh J. Mehta
Partner
Membership No. : 48791

Place : Mumbai
Date : April 18, 2019

For and on behalf of the Board of Directors

Nasser Munjee Chairman
Murali M. Natrajan MD & CEO
Ashok Barat Director

Bharat Sampat Chief Financial Officer
Rubi Chaturvedi Company Secretary

Place : Mumbai
Date : April 18, 2019

SCHEDULE 1 – CAPITAL

	As at 31.03.2019 (₹ in 000's)	As at 31.03.2018 (₹ in 000's)
Authorised Capital		
500,000,000 (Previous year 500,000,000) Equity Shares of ₹ 10/- each	**5,000,000**	5,000,000
Issued, Subscribed and Paid up Capital*		
309,546,898 (as at March 31, 2018: 308,084,883) Equity Shares of ₹ 10/- each	**3,095,469**	3,080,849
TOTAL	**3,095,469**	3,080,849

*(During the year, 1,462,015 (Previous year: 950,530) equity shares have been issued against exercise of options purchased under the Employees' Stock Option Plan)

SCHEDULE 2 – RESERVES & SURPLUS

	As at 31.03.2019 (₹ in 000's)	As at 31.03.2018 (₹ in 000's)
I. Statutory Reserve		
Opening balance	**3,824,892**	3,211,535
Additions during the year	**813,415**	613,357
TOTAL(I)	**4,638,307**	3,824,892
II. Special Reserve		
Opening balance	**423,252**	237,097
Additions during the year	**219,347**	186,155
Deductions during the year	**-**	-
TOTAL(II)	**642,599**	423,252
III. Capital Reserve		
a) Revaluation Reserve		
Opening balance	**2,504,359**	2,565,020
Additions during the year	**-**	-
Deductions during the year (transferred to Balance in Profit & Loss Account)*	**(60,566)**	(60,661)
TOTAL(a)	**2,443,793**	2,504,359
b) Other Capital Reserve		
Opening balance	**435,167**	402,751
Additions during the year	**54,792**	32,416
Deductions during the year	**-**	-
TOTAL(b)	**489,959**	435,167
TOTAL (a + b) (III)	**2,933,752**	2,939,526
IV. Securities Premium		
Opening balance	**13,508,007**	9,972,486
Additions during the year	**90,648**	3,535,521
Deductions during the year	**-**	-
TOTAL(IV)	**13,598,655**	13,508,007
V. Investment Reserve		
Opening balance	**20,654**	49,758
Additions during the year	**-**	-
Deductions during the year	**(10,221)**	(29,104)
TOTAL(V)	**10,433**	20,654
VI. Investment Fluctuation Reserve		
Opening balance	**-**	-
Additions during the year	**386,450**	-
Deductions during the year	**-**	-
TOTAL(VI)	**386,450**	-
VII. Balance in Profit and Loss Account	**5,838,786**	4,267,053
TOTAL (I to VII)	**28,048,982**	24,983,384

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

SCHEDULE 3 – DEPOSITS

		As at 31.03.2019 (₹ in 000's)	As at 31.03.2018 (₹ in 000's)
A	**I. Demand Deposits**		
	(i) From Banks	**527,096**	402,377
	(ii) From Others	**17,815,280**	17,953,032
	TOTAL(I)	**18,342,376**	**18,355,409**
	II. Savings Bank Deposits	**49,756,578**	40,047,794
	TOTAL(II)	**49,756,578**	**40,047,794**
	III. Term Deposits		
	(i) From Banks	**43,363,433**	50,945,024
	(ii) From Others	**172,888,755**	130,720,401
	TOTAL(III)	**216,252,188**	**181,665,425**
	TOTAL (I,II and III)	**284,351,142**	**240,068,628**
B	**I. Deposits of branches in India**	**284,351,142**	240,068,628
	II. Deposits of branches outside India	**-**	-
	TOTAL	**284,351,142**	**240,068,628**

SCHEDULE 4 – BORROWINGS

	As at 31.03.2019 (₹ in 000's)	As at 31.03.2018 (₹ in 000's)
I. Borrowings in India		
(i) Reserve Bank of India	**-**	-
(ii) Other Banks	**200,000**	-
(iii) Other Institutions and Agencies	**20,166,036**	12,401,105
(iv) Sub-Ordinated Debts	**6,866,000**	6,866,000
TOTAL (I)	**27,232,036**	**19,267,105**
II. Borrowings outside India	**-**	-
TOTAL (I & II)	**27,232,036**	**19,267,105**
Secured Borrowings included in I & II above	**-**	-

SCHEDULE 5 – OTHER LIABILITIES AND PROVISIONS

	As at 31.03.2019 (₹ in 000's)	As at 31.03.2018 (₹ in 000's)
I. Bills Payable	**5,434,783**	6,179,839
II. Inter Office Adjustments (Net)	**-**	-
III. Interest Accrued (Net of TDS recoverable)	**4,019,658**	3,193,922
IV. Others		
(i) Provision for Standard Assets *	**971,123**	896,489
(ii) Other Liabilities (including provisions) **	**4,753,571**	4,536,619
TOTAL	**15,179,135**	**14,806,869**

* includes provision for unhedged foreign currency exposure and provision on specific standard assets
Refer Schedule 18 (5.17) (Provisions on Standard Assets)
** Refer Schedule 18 (11.1) (Employee Benefits)

SCHEDULE 6 – CASH AND BALANCES WITH RESERVE BANK OF INDIA

	As at 31.03.2019 (₹ in 000's)	As at 31.03.2018 (₹ in 000's)
I. Cash in hand	**2,446,337**	2,397,731
(including foreign currency notes : ₹ Nil {Previous Year : ₹ Nil})		
II. Balances with Reserve Bank of India		
(i) In Current Accounts	**10,725,838**	8,966,167
(ii) In Other Accounts	**-**	-
TOTAL (II)	**10,725,838**	**8,966,167**
TOTAL (I & II)	**13,172,175**	**11,363,898**

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

	As at 31.03.2019 (₹ in 000's)	As at 31.03.2018 (₹ in 000's)
I. In India		
i. Balance with Banks		
(a) In Current Accounts*	**206,066**	348,370
(b) In Other Deposit Accounts	**1,749**	1,575
* includes funds in transit amounting to ₹ 1.77 crore (Previous Year : ₹ 0.40 crore)		
TOTAL	**207,815**	**349,945**
ii. Money at Call and Short Notice		
(a) With Banks	**12,000,000**	11,750,000
(b) With Other Institutions	**500,000**	-
TOTAL	**12,500,000**	**11,750,000**
TOTAL (I)	**12,707,815**	**12,099,945**
II. Outside India		
(i) In Current Accounts	**113,277**	134,127
(ii) In Other Deposit Accounts	**1,940,489**	121,877
(iii) Money at Call and Short Notice	**-**	-
TOTAL (II)	**2,053,766**	**256,004**
TOTAL (I & II)	**14,761,581**	**12,355,949**

SCHEDULE 8 – INVESTMENTS

	As at 31.03.2019 (₹ in 000's)	As at 31.03.2018 (₹ in 000's)
I. Investments in India		
Net Investments in :-		
(i) Government Securities	**60,007,114**	49,090,425
(ii) Other Approved Securities	**-**	-
(iii) Shares	**182,544**	200,644
(iv) Debentures and Bonds	**347,694**	447,777
(v) Subsidiaries and/or Joint Ventures	**-**	-
(vi) Other Investments :		
(a) Ceritificate of Deposits/Commercial Paper	**-**	247,453
(b) Units of Mutual Funds	**5,000**	-
(c) Pass Through Certificates	**17,555,018**	11,590,297
(d) Security Receipts*	**343,539**	612,978
TOTAL (I)	**78,440,909**	**62,189,574**
II. Investments in India		
i. Gross Value	**78,564,438**	62,291,887
ii. Provision for Depreciation	**(123,529)**	(102,313)
TOTAL (II)	**78,440,909**	**62,189,574**
III. Investments outside India		
(i) Government Securities	**-**	-
(ii) Subsidiaries and/or Joint Ventures	**-**	-
(iii) Other Investments	**-**	-
TOTAL (III)	**-**	**-**

*Refer Schedule 18 (5.14 and 5.15) (Details of financial assets (including written off accounts) sold to Securitisation/ Reconstruction Company for Asset Reconstruction and Details of investment in security receipts (SRs))

SCHEDULE 9 – ADVANCES

	As at 31.03.2019 (₹ in 000's)	As at 31.03.2018 (₹ in 000's)
I. (i) Bills Purchased and Discounted	**1,899,168**	2,441,345
(ii) Cash credits, Overdrafts and Loans repayable on demand	**49,527,995**	43,420,790
(iii) Term Loans	**184,252,809**	157,504,749
TOTAL (I)	**235,679,972**	**203,366,884**
II. (i) Secured by tangible assets*	**227,372,127**	196,060,126
(ii) Covered by Bank / Government Guarantees	**-**	-
(iii) Unsecured	**8,307,845**	7,306,758
*includes Advances against Book Debts		
TOTAL (II)	**235,679,972**	**203,366,884**
III (a) Advances in India		
(i) Priority Sectors	**134,063,534**	93,864,350
(ii) Public Sector	**53,706**	172,931
(iii) Banks	**4,958**	148,334
(iv) Others	**101,557,774**	109,181,269
TOTAL	**235,679,972**	**203,366,884**
III (b) Advances outside India	**-**	-
TOTAL (III)	**235,679,972**	**203,366,884**

Advances are net of provisions

SCHEDULE 10 – FIXED ASSETS

	As at 31.03.2019 (₹ in 000's)	As at 31.03.2018 (₹ in 000's)
I. Premises (Gross Block including Revaluation)		
(i) As at 31 March of the preceding year	**4,539,627**	4,509,598
(ii) Additions during the year	**244,154**	31,316
(iii) Deductions during the year	**(12,318)**	(1,287)
Total	**4,771,463**	**4,539,627**
Depreciation to date (including on Revaluation)		
(i) As at 31 March of the preceding year	**487,157**	374,763
(ii) Charge for the year	**105,311**	112,899
(iii) On deductions during the year	**(1,904)**	(505)
Total	**590,564**	**487,157**
Net Block	**4,180,899**	**4,052,470**
II. Other Fixed Assets (Gross Block including Furniture & Fixtures)*		
(i) As at 31 March of the preceding year	**2,947,028**	2,408,697
(ii) Additions during the year	**537,681**	564,517
(iii) Deductions during the year	**(42,683)**	(26,186)
Total	**3,442,026**	**2,947,028**
Depreciation to date		
(i) As at 31 March of the preceding year	**2,059,322**	1,657,854
(ii) Charge for the year	**336,532**	420,718
(iii) On deductions during the year	**(32,761)**	(19,250)
Total	**2,363,093**	**2,059,322**
Net Block	**1,078,933**	**887,706**
TOTAL (I+II)	**5,259,832**	**4,940,176**

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

SCHEDULE 11 – OTHER ASSETS

	As at 31.03.2019 (₹ in 000's)	As at 31.03.2018 (₹ in 000's)
I. Inter-Office Adjustments (Net)	**-**	-
II. Interest accrued	**1,317,464**	1,036,544
III. Tax paid in Advance/Tax deducted at Source (Net of provision)	**366,828**	165,296
IV. Stationery and Stamps	**5,027**	4,278
V. Non-Banking Assets acquired in satisfaction of claims (Net)	**-**	-
VI. Deferred Tax Assets (Net)*	**886,422**	781,082
VII. Others	**8,028,115**	6,017,240
TOTAL	**10,603,856**	**8,004,440**

* Refer Schedule 18 (11.6) (Deferred Tax)

SCHEDULE 12 – CONTINGENT LIABILITIES

	As at 31.03.2019 (₹ in 000's)	As at 31.03.2018 (₹ in 000's)
I. Claims against the Bank not acknowledged as debts	**438,608**	348,797
II. Liability for partly paid investments	**-**	-
III. Liability on account of outstanding forward exchange and derivative contracts		
(a) Forward Contracts	**5,940,539**	41,647,518
(b) Interest Rate Swaps and Currency Swaps	**-**	-
(c) Foreign Currency Options	**-**	-
IV. Guarantees given on behalf of constituents		
(a) In India	**11,545,902**	10,847,345
(b) Outside India	**620,169**	1,501,019
V. Acceptances, Endorsements and other obligations	**2,932,842**	3,172,946
VI. Other items for which the Bank is contingently liable*	**10,381,219**	11,965,825
TOTAL	**31,859,279**	**6**9,483,450

*includes

i) ₹ 37.65 crore (Previous year: ₹ 30.98 crore) being amount transferred to DEAF Cell, RBI and outstanding, as per RBI circular DBOD.No.DEAF Cell BC.114/30.01.002/2013-14.

Refer Schedule 18 (12.4) (Depositor Education and Awareness Fund (DEAF))

ii) ₹ 950 crore of lending under RBI Liqiudity Adjustment Facility outstanding as at March 31, 2019

(Previous Year : ₹ 1,150 crore as on March 31, 2018) as per RBI circular FMRD.DIRD. 10/14.03.002/2015-16.

iii) ₹ 34.67 crore (Previous Year : ₹ Nil) includes captial committment towards upgrade of software and undrawn amount of Alternative Investment Fund

SCHEDULE 13 – INTEREST EARNED

	Year Ended 31.03.2019 (₹ in 000's)	Year Ended 31.03.2018 (₹ in 000's)
I. Interest/Discount on Advances/Bills	**24,478,589**	19,402,674
II. Income on Investments	**5,354,265**	4,207,918
III. Interest on Balance with Reserve Bank of India and other Inter Bank Funds	**306,735**	180,291
IV. Others*	**275,291**	338,968
TOTAL	**30,414,880**	**24,129,851**

* includes ₹ Nil (Previous year : ₹ 9.83 crore) being interest on income tax refunds.

SCHEDULE 14 – OTHER INCOME

	Year Ended 31.03.2019 (₹ in 000's)	Year Ended 31.03.2018 (₹ in 000's)
I. Commission, Exchange and Brokerage	**2,399,299**	2,176,415
II. Profit/(Loss) on sale of Investments (Net)	**386,450**	453,896
III. Profit/(Loss) on revaluation of Investments (Net)	**-**	-
IV. Profit/(Loss) on sale of Land, Buildings and Other Assets (Net)	**(2,687)**	(3,977)
V. Profit/(Loss) on Exchange Transactions (Net)	**215,883**	138,970
VI. Income earned by way of Dividends, etc. from Subsidiaries, Companies and/or Joint Ventures abroad/in India	**-**	-
VII. Miscellaneous Income (Includes recoveries from bad debts written off in earlier years)	**502,644**	337,453
TOTAL	**3,501,589**	**3,102,757**

SCHEDULE 15 – INTEREST EXPENDED

	Year Ended 31.03.2019 (₹ in 000's)	Year Ended 31.03.2018 (₹ in 000's)
I. Interest on Deposits	**17,093,400**	12,880,912
II. Interest on Reserve Bank of India/Inter-Bank Borrowings	**695,259**	417,253
III. Other Interest	**1,133,296**	877,419
TOTAL	**18,921,955**	**14,175,584**

SCHEDULE 16 – OPERATING EXPENSES

	Year Ended 31.03.2019 (₹ in 000's)	Year Ended 31.03.2018 (₹ in 000's)
I. Payments to and Provisions for Employees	**4,339,880**	3,812,322
II. Rent, Taxes and Lighting	**844,989**	810,172
III. Printing and Stationery	**97,731**	91,107
IV. Advertisement and Publicity	**15,196**	29,452
V. Depreciation on Bank's property	**441,843**	533,617
VI. Directors' Fees, Allowances and Expenses	**13,637**	8,365
VII. Auditors' Fees and Expenses	**9,231**	7,671
VIII. Law Charges	**102,060**	71,214
IX. Postages,Telegrams,Telephones, etc.	**171,625**	154,597
X. Repairs and Maintenance	**200,143**	163,520
XI. Insurance	**215,661**	179,566
XII. Other Expenditure*	**2,076,517**	1,945,713
TOTAL	**8,528,513**	**7,807,316**

* includes an amount of ₹ 3.87 crores (Previous year : ₹ 1.77 crores) being Corporate Social Resposibility Expenditure as per requirement of Section 135 of the Companies Act, 2013 (Refer Note 18 (13.2) (Corporate Social Responsibility)).

SCHEDULE 17 – SIGNIFICANT ACCOUNTING POLICIES

1. BACKGROUND

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

2. BASIS OF PREPARATION

The financial statements have been prepared and presented under the historical cost convention and on the accrual basis of accounting unless otherwise stated, and comply with the Generally Accepted Accounting Principles in India ('GAAP'), statutory requirements prescribed under the Banking Regulation Act, 1949, circulars and guidelines issued by the Reserve Bank of India (the "RBI") from time to time and the Accounting Standards notified under Section 133 of the Companies Act 2013, to the extent applicable 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 (Shares, Debentures and Bonds, etc.) is classified at the time of acquisition in accordance with the RBI guidelines under three categories viz. 'Held to Maturity' ('HTM'), 'Available for Sale' ('AFS') and 'Held for Trading' ('HFT'). For the purposes of disclosure in the Balance Sheet, they are classified under six groups viz. Government Securities, Other Approved Securities, Shares, Debentures and Bonds, Subsidiaries and/or joint ventures and Other Investments.

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

4.2 Basis of Classification:

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

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

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

4.3 Transfer of Securities between Categories:

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

4.4 Acquisition Cost:

Cost including brokerage, commission pertaining to investments, paid at the time of acquisition, is charged to the Profit and Loss Account.

Broken period interest is charged to the Profit and Loss Account.

Cost of investments is computed based on the weighted average cost method.

4.5 Valuation:

Held for Trading and Available for Sale categories:

Investments classified under HFT and AFS are marked to market as per the RBI guidelines. These securities are valued scrip-wise and any resultant depreciation or appreciation is aggregated for each category. The net depreciation for each category within each group is provided for, whereas the net appreciation for each category is ignored. The book value of individual securities is not changed consequent to periodic valuation of investments.

Traded investments are valued based on the trades / quotes from the recognised stock exchanges, price list of RBI or prices declared by Primary Dealers Association of India ('PDAI') jointly with Fixed Income Money Market and Derivatives Association ('FIMMDA')/Financial Benchmark India Private Limited ('FBIL'), periodically.

The market value of unquoted government securities which qualify for determining the Statutory Liquidity Ratio ('SLR') included in the AFS and HFT categories is computed as per the Yield-to-Maturity ('YTM') rates published by FIMMDA/FBIL.

The valuation of other unquoted fixed income securities (viz. State government securities, Other approved securities, Bonds and debentures, Pass through Certificates) wherever linked to the YTM rates, is computed with a mark-up (reflecting associated credit and liquidity risk) over the YTM rates for government securities with similar maturity, published by FIMMDA/FBIL. Unquoted equity shares are valued at the break-up value, if the latest Balance Sheet is available or at ₹ 1 as per the RBI guidelines. Units of mutual funds are valued at the latest repurchase price / net asset value declared by the mutual fund. Treasury bills, commercial papers and certificate of deposits, being discounted instruments, are valued at carrying cost.

Units of Alternate Investment Fund ('AIF') held under AFS category are marked to market based on the NAV provided by AIF based on the latest audited financial statements. In case the audited financials are not available for a period beyond 18 months, the investments are valued at ₹ 1 per AIF.

In the event provisions recognised on account of depreciation in the AFS or HFT categories are found to be in excess of the required amount in any year, such excess is recognised in the Profit and Loss Account and subsequently appropriated, from profit available for appropriation, if any, to Investment Reserve Account in accordance with the RBI guidelines after adjusting for income tax and appropriation to Statutory Reserve.

Held to Maturity:

These are carried at their acquisition cost and are not marked to market. Any premium on acquisition is amortised over the remaining maturity

period of the security on a straight-line basis. Provision is recognised for diminution other than temporary in the value of such investments for each investment individually.

Non-performing investments are identified and provision is recognised as per the RBI guidelines.

4.6 Security Receipts (SR):

Security receipts issued by the Asset Reconstruction Companies ('ARC') are valued at the net asset value declared by ARC and valued in accordance with the guidelines applicable to such instruments, prescribed by the RBI from time to time.

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, claims realised from Export Credit Guarantee Corporation ('ECGC'), provisions for non- performing advances, floating provisions, unrealised fees and unrealised interest held in suspense account.

5.3 Credit facility/investment, where interest and/or installment of principal has remained overdue for more than 90 days, is classified as non-performing asset. However, in respect of Equated Monthly Instalment ('EMI') based advances, those accounts where more than 3 EMIs are overdue are classified as NPAs.

5.4 In case of NPAs other than retail EMI loans, recoveries effected are first adjusted towards the principal amount. In case of retail EMI loans, recoveries effected are adjusted towards the EMI and within the EMI first towards the principal amount.

5.5 Provision for non-performing advances ('NPAs') comprising sub-standard, doubtful and loss assets is made in accordance with the RBI guidelines which prescribe minimum provision levels and encourage banks to make a higher provision based on sound commercial judgement. NPAs are identified by periodic appraisals of the loan portfolio by the management. In respect of identified NPAs in Retail portfolio, provision is recognised on the homogeneous retail loans and advances assessed at borrower level on the basis of ageing of loans in the non-performing category and in respect of identified NPAs in other cases, provision is recognised account by account. The provisioning done is at or higher than the minimum rate prescribed under the RBI guidelines.

5.6 In case of restructured/rescheduled assets, provision is made in accordance with the guidelines issued by the RBI, which require the diminution in the fair value of the assets to be provided in the Profit and Loss Account at the time of restructuring.

5.7 In addition to the above, the Bank, on a prudent basis, recognises provisions on advances or exposures which are performing assets as per the IRAC norms, but has reasons to believe on the basis of the extant environment impacting a specific exposure or any specific information, the possible deterioration of a specific advance or a group of advances or exposures or potential exposures. These provisions are recognised as per Board approved policy and are classified as Provision for Specific Standard Assets, included under Provision for Standard Assets and reported under Other Liabilities. These provisions are not reversed to the Profit and Loss Account but are transferred as provision on the same specific advance / exposure in case the asset slips into non-performing asset, except in case of full repayment of the exposure when such provision will be reversed and recognised in the Profit and Loss Account.

5.8 The Bank maintains general provision for Standard Assets, including credit exposures computed as per the current marked to market values of foreign exchange forward contracts, at levels stipulated by the RBI from time to time. These provisions on Standard Assets are included under Other Liabilities.

5.9 The Bank estimates the inherent risk of the unhedged foreign currency exposures of its borrowers as per the regulatory guidelines stipulated by the RBI from time to time and recognises incremental provisions on exposures to such entities as per methodology prescribed. These provisions are included in Provision for Standard Assets and reported under Other Liabilities.

5.10 The RBI guidelines further permit banks to create floating provisions on Advances up to levels as per a Board approved policy over and above the regulatory provisions required on standard assets. These floating provisions are netted from Advances. These provisions are not reversed by credit to the Profit and Loss Account without prior approvals of the Board and the RBI under specific circumstances.

6. FIXED ASSETS

Premises and other fixed assets are stated at historical cost (or revalued amounts, as the case may be), less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefit / functioning capability from / of such assets. Profit on sale of immovable properties are transfer to the Capital Reserves after adjusting for income tax and appropriation to Statutory Reserve.

7. REVALUATION OF FIXED ASSETS

Portfolio of immovable properties is revalued periodically by an independent valuer to reflect current market valuation. All land and building owned by the Bank and used as branches or offices or godowns are grouped under "Office Premises" in the fixed assets category. Appreciation, if any, on revaluation is credited to Revaluation Reserve under Capital Reserves. Additional Depreciation on the revalued asset is charged to the Profit and Loss Account and appropriated from the Revaluation Reserves to Profit and Loss Account i.e. revenue reserves.

8. DEPRECIATION & AMORTISATION

Depreciation on fixed assets, including amortisation of software, is charged over the estimated useful life of the fixed assets on a straight-line basis at the rates and in the manner prescribed in Schedule II of the Companies Act, 2013, except as mentioned below. The useful life of an asset is the period over which an asset is expected to be available for use to the Bank.

- Computer: Desktop and Laptop – 3 years.
- Hardware and Servers - 5 years (Previous Year : 2017-18 – 3 years)
- Air conditioners – 9 years.
- Core Software for Bank Operations – 8 years
- Application Software and System Development Expenditure – 3 years to 5 years.
- Improvements (Civil) to Leased Premises and Fixed Furniture in Leased Premises such as work-stations, etc. – over the contracted period of the lease or 5 years (Previous Year: 3 years) whichever is less.
- Vehicles – 19% p.a. over 5 years with 5% residual value.
- Cash safe and Safe Deposit Vaults – 10 years (Previous Year : 2017-18 – 21 years).

Assets purchased/sold during the year are depreciated on a pro-rata basis, based on the actual number of days the assets have been put to use. Assets individually costing upto ₹ 5,000/- are depreciated fully over a period of one year from the date of purchase.

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 generally 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, net of tax on distributed income.

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, however processing overheads on loans are expensed at the inception of the loan.

10.7 Overdue rent on safe deposit lockers is accounted for when there is certainty of receipts.

10.8 Guarantee commission, annual safe deposit locker rent fees are recognised on a straight-line basis over the period of contract. Letters of credit ('LC') are generally issued for a shorter tenor, typically of 90 days. The commission on such LC is recognised when due.

10.9 Dividend income is recognised as income when the right to receive dividend is established.

11. FOREIGN CURRENCY TRANSACTIONS

11.1 Initial recognition:

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and foreign currency on the date of the transaction.

11.2 Conversion:

Foreign currency monetary items are reported using the closing rate notified by Foreign Exchange Dealers' Association of India ('FEDAI') at the Balance Sheet date and the resulting profit or loss is recognised in the Profit and Loss Account, as per the guidelines issued by the RBI.

11.3 Exchange differences:

Exchange difference arising on settlement of monetary items is recognised as income or as expense in the year in which it arises. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuations denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Foreign exchange forward contracts not intended for trading that are entered into to establish the amount of reporting currency required or available at the settlement date of transactions, which are outstanding at the Balance Sheet date are effectively valued at the closing spot rate. The premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract.

11.4 Outstanding forward exchange contracts are revalued at the Balance Sheet date at the rates notified by FEDAI and at interpolated rates for contracts of interim maturities. The resultant gain / loss on revaluation is recognised in the Profit and Loss Account in accordance with the RBI / FEDAI guidelines.

11.5 Contingent liabilities denominated in foreign currencies are disclosed in the Balance Sheet at the rates notified by FEDAI as at the Balance Sheet date.

11.6 Forward exchange contracts and other derivative contracts which have overdue receivables remaining unpaid over 90 days or more are classified as non-performing assets and provided for as per the extant master circular on Prudential Norms on Income Recognition, Asset Classification and Provisioning issued by the RBI.

12. DERIVATIVE TRANSACTIONS

Valuation of Exchange Traded Interest Rate Futures is carried out on the basis of the daily settlement price of each contract provided by the exchange. Changes in the fair value of the Exchange Traded Interest Rate Futures are recognised in the Profit and Loss Account.

13. EMPLOYEE BENEFITS

13.1 Defined Benefit Plan

Provision in respect of future liability for payment of gratuity is made on the basis of actuarial valuation on projected unit credit method made at the end of the year. Gratuity is funded with the Gratuity Trust duly registered under the provisions of Income tax Act, 1961. Actuarial gains / losses are recognised immediately in the Profit and Loss Account and are not deferred.

13.2 Defined Contribution Scheme

Retirement benefits in the form of provident fund and national pension scheme is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the fund are due. There is no other obligation other than the contribution payable to the fund.

14. TAXES ON INCOME

14.1 Tax expense comprises current and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred Income Tax reflects the impact of current year timing differences between the taxable income and the accounting income for the year and reversal of timing differences of earlier years.

14.2 Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to taxes levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Bank has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

14.3 At each Balance Sheet date, the Bank re-assesses unrecognised deferred tax assets and recognises deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

15. ACCOUNTING FOR PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised when there is a present legal or statutory obligation as a result of past events leading to probable outflow of resources, where a reliable estimate can be made of the amount required to settle the obligation.

Contingent Liabilities are recognised only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Bank, or where there is a present obligation arising from a past event which is not recognised as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised 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 using the intrinsic value method. Deferred compensation expense is amortised over the vesting period of the option.

17. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effect of dilutive potential equity shares.

18. SHARE ISSUE EXPENSES

Share issue expenses are adjusted from Securities Premium Account in terms of Section 52 of the Companies Act, 2013.

19. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand and ATMs, balances with the Reserve Bank of India, balances with other banks and money at call and short notice (including effect of changes in exchange rates on cash and cash equivalents in foreign currency).

20. LEASES

Leases where the Lessor effectively retains substantially all risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

21. SEGMENT REPORTING

As per the RBI guidelines on Segment Reporting, the Bank has classified its activity into Treasury Operations, Corporate / Wholesale Banking, Retail Banking and Other Banking Operations.

Treasury Operations includes all financial markets activities undertaken on behalf of the Bank's customers, proprietary trading, maintenance of reserve requirements and resource mobilisation from other banks and financial institutions.

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

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

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

SCHEDULE 18 - NOTES TO ACCOUNTS

1 CAPITAL

1.1 Capital to Risk-weighted Assets Ratio (CRAR)

(₹ in crore)

Particulars	As per Basel III framework	
	As at March 31, 2019	As at March 31, 2018
i. Tier 1 Capital	**2,904.19**	2,640.17
ii. Tier 2 Capital	**823.40**	778.31
iii. Total Capital	**3,727.59**	3,418.48
iv. Total Risk Weighted Assets	**22,174.66**	20,755.39
v. Common Equity Tier 1 Capital Ratio (%)	**13.10%**	12.72%
vi. Tier 1 Capital Ratio (%)	**13.10%**	12.72%
vii. Tier 2 Capital Ratio (%)	**3.71%**	3.75%
viii. Total Capital Ratio (CRAR) (%)	**16.81%**	16.47%
ix. Percentage of shareholding of the Government of India in public sector banks	**N.A**	N.A
x. Amount of equity capital raised-		
Share Capital:	**1.46**	22.72
Securities Premium:	**9.06**	353.55
xi. Amount of Additional Tier 1 capital raised; of which-		
Perpetual Non-Cumulative Preference Shares (PNCPS):	**-**	-
Perpetual Debt Instruments (PDI):	**-**	-
xii. Amount of Tier 2 capital raised; of which-		
Debt capital instrument:	**-**	450.00
Preference Share Capital Instruments: [Perpetual Cumulative Preference Shares (PCPS) / Redeemable Non-Cumulative Preference Shares (RNCPS) / Redeemable Cumulative Preference Shares (RCPS)]	**-**	-

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, 2019	Equivalent Amount as on March 31, 2018
March 31, 2016	10.25	121	**86.60**	86.60
November 18, 2016	9.85	120	**150.00**	150.00
November 17, 2017	9.85	120	**300.00**	300.00
January 12, 2018	9.85	120	**150.00**	150.00
			686.60	686.60

3 INVESTMENTS

3.1 Particulars of investments and movement in provision held towards depreciation on investments

(₹ in crore)

Particulars	March 31, 2019	March 31, 2018
1. Value of Investments:		
(i) Gross Value of Investments		
a. In India	**7,856.44**	6,229.19
b. Outside India	**-**	-
(ii) Provisions for Depreciation		
a. In India	**12.35**	10.23
b. Outside India	**-**	-
(iii) Net Value of Investments		
a. In India	**7,844.09**	6,218.96
b. Outside India	**-**	-
2. Movement of provision held towards depreciation on investments:		
(i) Opening balance	**10.23**	4.12
(ii) Add: Provision made during the year	**8.20**	15.06
(iii) Less: Write-off/ write-back of excess provision during the year (including depreciation utilised on sale of securities)	**6.08**	8.95
(iv) Closing balance	**12.35**	10.23

3.2 The net book value of investments held under the three categories, viz. Held to Maturity (HTM), Held for Trading (HFT) and Available for Sale (AFS) is as under:-

Category	As at March 31, 2019		As at March 31, 2018	
	₹ in crore	%	₹ in crore	%
Held to Maturity	**5,707.07**	**72.76**	4,296.33	69.08
Held for Trading	**0.00**	**0.00**	0.98	0.02
Available for Sale	**2,137.02**	**27.24**	1,921.65	30.90
Total	**7,844.09**	**100.00**	6,218.96	100.00

3.3 Repo Transactions

Financial Year 2018-19

(₹ in crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Balance as at March 31, 2019
Securities Sold under Repos *	-	100.00	3.09	-
(i) Government Securities	-	100.00	3.09	-
(ii) Corporate debt Securities	-	-	-	-
(iii) Any other Securities	-	-	-	-
Securities purchased under Reverse Repos *	-	1,150.00	283.76	950.00
(i) Government Securities	-	1,150.00	283.76	950.00
(ii) Corporate debt Securities	-	-	-	-
(iii) Any other Securities	-	-	-	-

* including securities sold and purchased under LAF.

Financial Year 2017-18

(₹ in crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Balance as at March 31, 2018
Securities Sold under Repos *	-	95.00	3.29	-
(i) Government Securities	-	95.00	3.29	-
(ii) Corporate debt Securities	-	-	-	-
Securities purchased under Reverse Repos *	-	1,150.00	154.02	1,150.00
(i) Government Securities	-	1,150.00	154.02	1,150.00
(ii) Corporate debt Securities	-	-	-	-

*amounts reported are based on lending/borrowing amount under LAF.

3.4 **Non-SLR Investments Portfolio - Issuer Composition of Non-SLR Investments**
Balances as at March 31, 2019

(₹ 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	9.91	-	-	-	-
2.	FIs	35.59	10.50	-	-	10.50
3.	Banks	-	-	-	-	-
4.	Private Corporates	16.68	16.68	-	-	8.85
5.	Subsidiaries/ Joint Ventures	-	-	-	-	-
6.	Others**	1,793.55	-	-	-	-
7.	Provision held towards Depreciation	(12.35)	-	-	-	-
	Total	**1,843.38**	**27.18**	**-**	**-**	**19.35**

*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, 2018

(₹ 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	9.91	-	-	-	-
2.	FIs	69.83	10.00	-	-	10.00
3.	Banks	0.98	-	-	-	-
4.	Private Corporates	16.69	16.69	-	-	8.85
5.	Subsidiaries/ Joint Ventures	-	-	-	-	-
6.	Others**	1,221.96	-	-	-	-
7.	Provision held towards Depreciation	(9.46)	-	-	-	-
	Total	**1,309.91**	**26.69**	**-**	**-**	**18.85**

*excludes investment in pass through certificates and security receipts.
**includes investments in pass through certificates and security receipts.
Amounts reported under these columns above are not mutually exclusive.

3.5 **Non-Performing Non-SLR Investments**

(₹ in crore)

Particulars	March 31, 2019	March 31, 2018
Opening Balance	-	-
Additions during the year	14.69	-
Reductions during the year	14.69	-
Closing Balance	-	-
Total provisions held	-	-

3.6 **Sale and Transfers to / from HTM Category**

During the years ended March 31, 2019 and March 31, 2018, 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 under pre-announced Open Market Operation (OMO) auction to the RBI and sale of securities or transfer to AFS / HFT consequent to the reduction of ceiling on SLR securities under HTM.

3.7 RBI circular DBR.No.BP.BC.113/21.04.048/2017-18 dated June 15, 2018 granted banks an option to spread provisioning for mark to market losses on investments held in AFS and HFT. The circular stated that the provisioning requirement for quarter ending June 30, 2018 may be spread equally over up to four quarters, commencing with the quarter ending June 30, 2018. The Bank had not availed the said option.

4 DERIVATIVES

4.1 **Forward Rate Agreements / Interest Rate Swaps**

(₹ in crore)

Particulars	March 31, 2019	March 31, 2018
i. The notional principal of swap agreements	NIL	NIL
ii. Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	NIL	NIL
iii. Collateral required by the bank upon entering into swaps	NIL	NIL
iv. Concentration of credit risk arising from the swaps	NIL	NIL
v. The fair value of the swap book	NIL	NIL

4.2 **Exchange Traded Interest Rate Derivatives**

(₹ in crore)

Sr. No.	Particulars	March 31, 2019	March 31, 2018
i.	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)	862.63	NIL
ii.	Notional principal amount of exchange traded interest rate derivatives outstanding (instrument-wise)	NIL	NIL
iii.	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	NIL	NIL
iv.	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	NIL	NIL

4.3 **Disclosures on risk exposure in derivatives:**

a) **Qualitative Disclosures**

Management of Risk in Derivatives Trading

The Bank's market risk unit plays a key role in setting up of the limits and laying down of the risk assessment and monitoring methods. The policies of the Bank include setting limits upon the notional principal value of product specific gaps, maximum tenor, overall outstanding and the setting-up of counter party-wise, tenor-wise limits.

All limits are monitored on a daily basis by the Bank's Treasury Back Office and Mid Office. Exposure reports are submitted to the Treasurer as well as the Assistant CRO and any limit excesses are brought to the notice of the management immediately for further action.

Policies for Hedging Risk

All transactions undertaken by the Bank for trading purposes are classified under the Trading Book. All other transactions are classified as a part of the Banking Book. The Banking Book includes transactions concluded for the purpose of providing structures to customers on a back-to-back basis. It also consists of transactions in the nature of hedges based on identification of supporting trades, with appropriate linkages done for matching amounts and tenor within the approved tolerance limits.

The accounting for all derivative trades is done for the notional amount on the trade date. The valuation of all outstanding trades is done category wise. The valuation for outstanding trades under the Trading portfolio is done on a daily basis and the net marked to market ('MTM') is accounted in the Profit and Loss Account. The valuation for outstanding trades under the hedged portfolio is done on a monthly basis and the residual MTM, if any, is accounted in the Profit and Loss Account on a monthly basis. Valuation of the outstanding hedged Forex Options is done on a monthly basis and the net MTM is zero as all customer trades are hedged on identical basis with counter party banks.

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, 2019	**March 31, 2019**	March 31, 2018	March 31, 2018
1.	Derivatives (notional Principal Amount)				
	(a) For hedging	**NIL**	**NIL**	NIL	NIL
	(b) For trading	**NIL**	**NIL**	NIL	NIL
2.	Marked to Market position				
	(a) Asset (+)	**NIL**	**NIL**	NIL	NIL
	(b) Liability (-)	**NIL**	**NIL**	NIL	NIL
3.	Credit Exposure	**NIL**	**NIL**	NIL	NIL
4.	Likely impact of one percentage change in Interest Rate (100*PV01)				
`	(a) On hedging derivatives	**NIL**	**NIL**	NIL	NIL
	(b) On trading derivatives	**NIL**	**NIL**	NIL	NIL
5.	Maximum and Minimum of 100*PV01 observed during the year				
	(a) On hedging				
	Maximum	**NIL**	**NIL**	NIL	NIL
	Minimum	**NIL**	**NIL**	NIL	NIL
	(b) On trading				
	Maximum	**NIL**	**0.09**	NIL	NIL
	Minimum	**NIL**	**0.00**	NIL	NIL

Notes:

1 Foreign exchange forward contracts have not been included in the above disclosure.

2 The notional principal amount of forward exchange contracts classified as Hedging and Trading amounted to ₹ 594.05 crore (Previous year: ₹ 4,164.75 crore).

5 ASSET QUALITY

5.1 Non-Performing Assets (NPAs)

(₹ in crore)

Particulars	March 31, 2019	March 31, 2018
(i) Net NPAs to Net Advances (%)	**0.65%**	0.72%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	**369.03**	254.20
(b) Additions during the year	**420.47**	348.91
(c) Reductions during the year	**350.02**	234.08
(d) Closing balance	**439.48**	369.03
(iii) Movement of Net NPAs		
(a) Opening balance	**146.72**	124.41
(b) Additions during the year[1,2]	**220.27**	175.36
(c) Reductions during the year[3]	**213.22**	153.05
(d) Closing balance	**153.77**	146.72
(iv) Movement of provisions for NPAs (excluding provision on Standard Assets)		
(a) Opening balance	**221.64**	127.03
(b) Provisions made during the year[4]	**200.20**	172.88
(c) Write-off/ write-back of excess provisions	**136.13**	78.27
(d) Closing balance	**285.71**	221.64

Notes:

1. Includes interest capitalisation of ₹ NIL (Previous year: ₹ 0.67 crore).
2. Includes addition to NPAs net off provisions on such NPAs and additional provision on existing NPAs.
3. Includes interest capitalisation of ₹ 0.67 crore (Previous year: ₹ 2.76 crore).
4. Includes floating provision of ₹ 21.48 crore (Previous year: ₹ 16.88 crore).

5.2 Movement of Gross NPAs

(₹ in crore)

Particulars	March 31, 2019	March 31, 2018
Opening balance of Gross NPAs	**369.03**	254.20
Additions during the year[1]	**420.47**	348.91
Sub-total (A)	**789.50**	603.11
Less:		
i. Upgradations	**161.07**	103.38
ii. Recoveries (excluding recoveries made from upgraded accounts)[2]	**122.16**	98.46
iii. Technical/Prudential Write-offs	**64.61**	30.93
iv. Write-offs other than those under (iii) above	**2.18**	1.31
Sub-total (B)	**350.02**	234.08
Closing balance of Gross NPAs (A-B)	**439.48**	369.03

1. Includes fresh NPAs during the year.
2. Includes recoveries of ₹ NIL (Previous year: ₹ 2.30 crore) from NPAs sold to asset reconstruction company.

5.3 **Movement of Technical/Prudential write-offs**

Technical/Prudential write-offs is the amount of non-performing loans which are outstanding in the books of the branches, but have been written-off (fully or partially) at the Head Office level.

Movement in Technical/Prudential write-offs is set out below:

(₹ in crore)

Particulars	**March 31, 2019**	March 31, 2018
Opening balance of Technical/Prudential Written off accounts	**235.23**	220.69
Add : Technical/Prudential write-offs during the year	**64.61**	30.93
Sub-total (A)	**299.84**	251.62
Less : Recovery /Sacrifice made from previously technical /prudential written-off accounts during the year (B)	**15.15**	16.39
Closing balance of Technical/Prudential Written off accounts (A-B)	**284.69**	235.23

5.4 **Concentration of NPAs**

(₹ in crore)

Particulars	**March 31, 2019**	March 31, 2018
Total Exposure to top four NPA accounts *	**19.00**	41.07

* NPAs are taken on net basis.

Exposure includes funded and non-funded exposures identified as NPAs.

5.5 **Divergence in the asset classification and provisioning**

The divergence observed by RBI for FY 2017-18 in respect of the Bank's asset classification and provisioning under the extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) was within the threshold as per RBI Circular DBR.BP.BC. No.63/21.04.018/2016-17 dated April 18, 2017 and subsequent circular DBR.BP.BC.No.32/21.04.018/2018-19 dated April 01, 2019 on 'Divergence in the asset classification and provisioning' and accordingly no disclosures are required to be given. There was no divergence observed by the RBI for FY 2016-17.

5.6 **Intra Group Exposure**

(₹ in crore)

Particulars	**March 31, 2019**	March 31, 2018
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

5.7 **Sector-wise Advances**

Financial Year 2018-19

(₹ in crore)

Sr. No.	Sector	March 31, 2019		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A	**Priority Sector**			
1	Agriculture and allied activities	2,165.25	59.04	2.73%
2	Industry of which-	1,897.34	30.49	1.61%
	Textiles	514.79	6.18	1.20%
	Food Processing	246.45	5.40	2.19%
	Constructions	209.12	2.54	1.21%
3	Services of which-	7,784.55	157.17	2.02%
	Retail Trade	2,417.67	39.17	1.62%
	Wholesale Trade	2,001.44	44.19	2.21%
	Transport Operators	1,870.41	47.06	2.52%
4	Personal loans of which-	1,718.53	26.08	1.52%
	Housing Loans	1,681.93	25.49	1.52%
	Sub-total (A) (1+2+3+4)	**13,565.67**	**272.78**	**2.01%**
B	**Non Priority Sector**			
1	Agriculture and allied activities	71.46	1.56	2.18%
2	Industry of which-	2,733.31	74.56	2.73%
	Constructions	1,040.60	0.97	0.09%
3	Services of which-	4,474.39	45.12	1.01%
	NBFC	1,162.40	-	0.00%
	Retail Trade	882.93	9.65	1.09%
	Wholesale Trade	498.19	12.70	2.55%
	Professional Services	459.87	1.79	0.39%
4	Personal loans	3,013.86	45.46	1.51%
	Housing Loans	2,184.31	26.88	1.23%
	Gold Loans	302.11	6.26	2.07%
	Sub-total (B) (1+2+3+4)	**10,293.02**	**166.70**	**1.62%**
	Total (A+B)	**23,858.69**	**439.48**	**1.84%**

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

Financial Year 2017-18

(₹ in crore)

Sr. No.	Sector	March 31, 2018		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A	**Priority Sector**			
1	Agriculture and allied activities	1,665.45	48.33	2.90%
2	Industry of which-	1,602.16	24.56	1.53%
	Textiles	331.92	4.52	1.36%
	Engineering	202.20	5.66	2.80%
	Food Processing	193.55	1.31	0.68%
	Constructions	161.50	3.07	1.90%
3	Services of which-	5,194.77	81.16	1.56%
	Wholesale Trade	1,552.25	24.11	1.55%
	Retail Trade	1,386.14	16.02	1.16%
	Transport Operators	1,202.56	26.87	2.23%
4	Personal loans of which-	1,023.34	15.02	1.47%
	Housing Loans	900.22	13.52	1.50%
	Sub-total (A) (1+2+3+4)	**9,485.72**	**169.07**	**1.78%**
B	**Non Priority Sector**			
1	Agriculture and allied activities	140.37	1.37	0.98%
2	Industry of which-	2,993.83	98.37	3.29%
	Constructions	1,409.32	7.26	0.52%
3	Services of which-	5,619.45	59.10	1.05%
	NBFC	1,327.46	-	0.00%
	Retail Trade	1,053.07	13.43	1.27%
	Wholesale Trade	976.05	24.01	2.46%
4	Personal loans	2,324.51	41.12	1.77%
	Housing Loans	1,664.61	23.80	1.43%
	Gold Loans	250.53	7.65	3.05%
	Sub-total (B) (1+2+3+4)	**11,078.16**	**199.96**	**1.81%**
	Total (A+B)	**20,563.88**	**369.03**	**1.79%**

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

5.8 Restructured Accounts

Details of restructured accounts as of March 31, 2019

(₹ in crore)

Sr. No.	Type of Restructuring →		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification →		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
	Details ↓																					
1	Restructured Accounts as on April 01, 2018	No. of borrowers	-	-	-	-	-	-	-	-	-	-	5	15	16	-	36	5	15	16	-	36
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	50.30	4.59	68.24	-	123.13	50.30	4.59	68.24	-	123.13
		Provision thereon	-	-	-	-	-	-	-	-	-	-	16.61	1.18	50.84	-	68.63	16.61	1.18	50.84	-	68.63
2	Fresh restructuring during the FY[1]	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	28	31	-	59	-	28	31	-	59
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	4.18	5.28	-	9.46	-	4.18	5.28	-	9.46
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	1.77	18.14	-	19.91	-	1.77	18.14	-	19.91
3	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	18	(10)	(8)	-	-	18	(10)	(8)	-	0
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	6.13	(5.09)	(1.04)	-	-	6.13	(5.09)	(1.04)	-	0.00
		Provision thereon	-	-	-	-	-	-	-	-	-	-	0.16	(0.02)	(0.14)	-	0.00	0.16	(0.02)	(0.14)	-	0.00
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-				-	-				-	1				1	1				1
		Amount outstanding	-				-	-				-	10.20				10.20	10.20				10.20
		Provision thereon	-				-	-				-	0.59				0.59	0.59				0.59
5	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(2)	(4)	6	-	-	(2)	(4)	6	-	0
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(1.62)	0.67	0.95	-	-	(1.62)	0.67	0.95	-	0.00
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(0.05)	(0.27)	0.32	-	-	(0.05)	(0.27)	0.32	-	0.00
6	Write-offs of restructured accounts during the FY[2]	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	2	-	2	-	-	2	-	2
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	7.64	-	36.51	-	44.15	7.64	-	36.51	-	44.15
7	Restructured Accounts as on March 31, 2019	No. of borrowers	-	-	-	-	-	-	-	-	-	-	20	29	43	-	92	20	29	43	-	92
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	36.97	4.35	36.92	-	78.24	36.97	4.35	36.92	-	78.24
		Provision thereon	-	-	-	-	-	-	-	-	-	-	16.13	1.15	32.44	-	49.72	16.13	1.15	32.44	-	49.72

1. Includes ₹ 15.51 crore due to increase in provisions in respect of 6 existing accounts.
2. Includes ₹ 7.84 crore due to reduction in outstanding balance in respect of 30 existing accounts and partial write off of ₹ 19.81 crore in respect to 1 existing account. Recovery and closure of ₹ 0.05 crore in respect of 1 existing account.

Details of restructured accounts as of March 31, 2018

(₹ in crore)

Sr. No.	Type of Restructuring →		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification →		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
	Details ↓																					
1	Restructured Accounts as on April 01, 2017	No. of borrowers	-	-	-	-	-	-	-	-	-	-	3	3	2	-	8	3	3	2	-	8
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	59.82	10.46	65.21	-	135.49	59.82	10.46	65.21	-	135.49
		Provision thereon	-	-	-	-	-	-	-	-	-	-	14.90	2.17	32.43	-	49.50	14.90	2.17	32.43	-	49.50
2	Fresh restructuring during the FY[1]	No. of borrowers	-	-	-	-	-	-	-	-	-	-	1	18	12	-	31	1	18	12	-	31
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	1.45	4.97	5.56	-	11.98	1.45	4.97	5.56	-	11.98
		Provision thereon	-	-	-	-	-	-	-	-	-	-	2.62	1.26	35.25	-	39.13	2.62	1.26	35.25	-	39.13
3	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	2	(2)	-	-	-	2	(2)	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	10.40	(10.40)	-	-	-	10.40	(10.40)	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	2.15	(2.15)	-	-	0.00	2.15	(2.15)	-	-	0.00
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-				-	-				-	-				-	-				-
		Amount outstanding	-				-	-				-	-				-	-				-
		Provision thereon	-				-	-				-	-				-	-				-
5	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(1)	(1)	2	-	-	(1)	(1)	2	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(15.79)	(0.06)	15.85	-	-	(15.79)	(0.06)	15.85	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(1.50)	(0.02)	1.52	-	(0.00)	(1.50)	(0.02)	1.52	-	(0.00)
6	Write-offs of restructured accounts during the FY[2]	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	3	-	-	3	-	3	-	-	3
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	5.58	0.38	18.38	-	24.34	5.58	0.38	18.38	-	24.34
7	Restructured Accounts as on March 31, 2018	No. of borrowers	-	-	-	-	-	-	-	-	-	-	5	15	16	-	36	5	15	16	-	36
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	50.30	4.59	68.24	-	123.13	50.30	4.59	68.24	-	123.13
		Provision thereon	-	-	-	-	-	-	-	-	-	-	16.61	1.18	50.84	-	68.63	16.61	1.18	50.84	-	68.63

1. Includes ₹ 0.67 crore due to increase in outstanding balance in respect of 1 account and increase in provisions amounting to ₹ 33.69 crore in respect of 5 accounts.
2. Includes ₹ 5.60 crore due to reduction in outstanding balance in respect of 5 accounts and partial write off of ₹ 18.36 crore in respect to 1 account. Recovery and closure of ₹ 0.38 crore in respect of 3 accounts.

5.9 **Disclosures on the scheme for sustainable Structuring of Stressed Assets (S4A), as at March 31, 2019**

There were no accounts during the year where S4A has been applied (Previous year: NIL).

5.10 **Disclosures on Flexible Structuring of Existing Loans**

There were no borrowers taken up for flexibility structuring during the year (Previous year: NIL).

5.11 **Disclosures on Strategic Debt Restructuring Scheme (accounts which are currently under the stand-still period)**

(₹ in crore)

Particulars	March 31, 2019	March 31, 2018
Number of borrowers where SDR has been invoked	**NIL**	1
Gross amount outstanding		
- Standard	**NIL**	16.28*
- NPA	**NIL**	-
Gross amount outstanding for borrowers where conversion of debt to equity is pending		
- Standard	**NIL**	-
- NPA	**NIL**	-
Gross amount outstanding for borrowers where conversion of debt to equity has taken place		
- Standard	**NIL**	16.28*
- NPA	**NIL**	-

* Includes ₹ 7.83 crore of loan converted into equity shares and ₹ 6.85 crore loan converted into preference shares.

5.12 **Disclosures on change in Ownership outside SDR Scheme (accounts which are currently under the stand-still period)**

There were no accounts during the year where Bank has decided to effect change in ownership (Previous year: NIL).

5.13 **Disclosures on change in Ownership of Projects Under Implementation (accounts which are currently under the stand-still period)**

There were no project loan accounts during the year where Bank has decided to effect change in ownership (Previous year: NIL).

5.14 **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. For the purpose of the valuation of the underlying security receipts issued by the underlying trusts managed by ARC, the security receipts are valued at their respective NAVs as advised by the ARC. The details of the assets sold are given in the table below:

(₹ in crore)

Particulars	March 31, 2019	March 31, 2018
(i) No. of accounts*	**NIL**	1
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC	**NIL**	2.01
(iii) Aggregate consideration	**NIL**	2.30
(iv) Additional consideration realised in respect of accounts transferred in earlier years	**NIL**	-
(v) Aggregate gain/(loss) over net book value	**NIL**	0.29

*represents number of borrowers. No. of accounts as on March 31, 2019 are NIL (Previous year: 2).

5.15 **Details of investment in security receipts (SRs)**

Details of investment in security receipts as at March 31, 2019 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	38.05	-	-
Provision held against (i)	3.69	-	-
(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)	**38.05**	**-**	**-**

Details of investment in security receipts as at March 31, 2018 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	62.93	-	-
Provision held against (i)	1.63	-	-
(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)	**62.93**	**-**	**-**

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

(₹ in crore)

Particulars	March 31, 2019	March 31, 2018
1. (a) No. of accounts purchased during the year	**NIL**	NIL
(b) Aggregate outstanding	**NIL**	NIL
2. (a) Of these, number of accounts restructured during the year	**NIL**	NIL
(b) Aggregate outstanding	**NIL**	NIL

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

(₹ in crore)

Particulars	March 31, 2019	March 31, 2018
1. No. of accounts sold during the year	**NIL**	NIL
2. Aggregate outstanding	**NIL**	NIL
3. Aggregate consideration received	**NIL**	NIL

5.17 **Provisions on Standard Assets**

(₹ in crore)

Particulars	**March 31, 2019**	March 31, 2018
Provision for Standard Assets	**82.77**	76.97
Provision for Unhedged Foreign Currency Exposure of borrowers	**2.75**	2.75
Provision for Specific Standard Assets	**11.59**	9.93
Total (Refer Schedule 5-IV(i) – Other Liabilities and Provisions)	**97.11**	89.65

6 BUSINESS RATIOS

Particulars	**March 31, 2019**	March 31, 2018
Interest Income as a percentage to Working Funds (%)[1]	**9.27**	9.23
Non-Interest Income as a percentage to Working Funds (%)[1]	**1.07**	1.19
Operating Profit as a percentage to Working Funds (%)[1,2]	**1.97**	2.01
Return on Assets (%)[3]	**0.99**	0.94
Business per employee (₹ in crore)[4, 5]	**7.92**	7.23
Profit after tax per employee (₹ in crore)[5]	**0.05**	0.05

1. Working funds have been considered as the average of total monthly assets as reported to the Reserve Bank of India in Form X under Section 27 of the Banking Regulation Act, 1949 during the financial year.
2. For the purpose of this ratio, Operating Profit is profit for the year before provisions and contingencies.
3. 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.
4. For the purpose of this ratio, business has been recorded as deposits (excluding interbank deposits) plus net advances.
5. 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 capitalised as software is given below:

(₹ in crore)

Particulars	**March 31, 2019**	March 31, 2018
Cost		
As at March 31 of the preceding year	**68.69**	54.05
Additions during the year	**21.03**	14.64
Deductions during the year	**-**	-
Total (a)	**89.72**	68.69
Depreciation		
As at March 31 of the preceding year	**51.43**	41.86
Charge for the year	**10.97**	9.57
On deductions during the year	**-**	-
Total (b)	**62.40**	51.43
Net value as at March 31 of the current year (a-b)	**27.32**	17.26

8 LIQUIDITY COVERAGE RATIO (LCR)

(A) **Quantitative Disclosures**

Financial Year 2018-19

(₹ in crore)

		Q1 FY 2018-19		Q2 FY 2018-19		Q3 FY 2018-19		Q4 FY 2018-19	
		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)		3,783.52		3,930.26		4,657.65		5,409.88
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which:	10,770.20	1,003.63	11,236.94	1,051.35	12,794.34	1,205.10	13,333.65	1,257.02
(i)	Stable Deposits	1,467.73	73.39	1,446.89	72.35	1,486.54	74.33	1,526.74	76.34
(ii)	Less Stable Deposits	9,302.47	930.24	9,790.05	979.00	11,307.80	1,130.77	11,806.91	1,180.68
3	Unsecured wholesale funding, of which:	2,140.22	1,477.61	2,048.93	1,310.70	8,765.10	5,564.06	8,489.24	4,959.33
(i)	Operational deposits (all counterparties)	73.88	18.47	11.91	2.98	60.36	17.62	25.44	25.43
(ii)	Non-operational deposits (all counterparties)	1,011.99	404.79	1,215.49	486.19	5,263.83	2,105.53	5,883.17	2,353.27
(iii)	Unsecured debt	1,054.35	1,054.35	821.53	821.53	3,440.91	3,440.91	2,580.63	2,580.63
4	Secured wholesale funding		0.00		0.00		0.00		0.00
5	Additional requirements, of which	5,771.48	2,687.30	6,470.80	2,978.57	5,676.16	2,409.54	5,889.20	2,507.67
(i)	Outflows related to derivative exposures and other collateral requirements	2,415.97	2,415.97	2,688.01	2,688.01	2,124.57	2,124.57	2,217.35	2,217.35
(ii)	Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii)	Credit and liquidity facilities	3,355.51	271.33	3,782.79	290.56	3,551.59	284.97	3,671.85	290.32
6	Other contractual funding obligations	337.43	337.43	348.21	348.21	381.02	381.02	393.35	393.35
7	Other contingent funding obligations	1,818.19	59.55	1,724.07	54.80	1,942.96	66.52	2,013.89	70.46
8	Total Cash Outflows		5,565.52		5,743.63		9,626.24		9,187.83
Cash Inflows									
9	Secured lending (e.g. reverse repos)	431.21	0.00	85.45	0.00	154.69	0.00	351.17	0.00
10	Inflows from fully performing exposures	993.12	737.04	842.16	601.31	981.26	741.12	1,093.17	835.80
11	Other cash inflows	2,730.02	2,491.94	3,087.32	2,797.60	2,529.97	2,206.72	2,637.64	2,318.80
12	Total Cash Inflows	4,154.35	3,228.98	4,014.93	3,398.91	3,665.92	2,947.84	4,081.98	3,154.60
			Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**
	TOTAL HQLA		3,783.52		3,930.26		4,657.65		5,409.88
	Total Net Cash Outflows		2,336.54		2,344.72		6,678.40		6,033.23
	Liquidity Coverage Ratio (%)		161.93%		167.62%		69.74%		89.67%

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

Financial Year 2017-18

(₹ in crore)

		Q1 FY 2017-18		Q2 FY 2017-18		Q3 FY 2017-18		Q4 FY 2017-18	
		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)		3092.37		3051.40		3191.27		3423.93
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which:	9694.35	901.56	9938.09	925.99	10023.21	932.93	10351.44	964.05
(i)	Stable Deposits	1357.59	67.88	1356.43	67.82	1387.75	69.39	1421.75	71.09
(ii)	Less Stable Deposits	8336.76	833.68	8581.66	858.17	8635.46	863.54	8929.69	892.96
3	Unsecured wholesale funding, of which:	1633.81	1079.83	1465.90	1039.06	1721.11	1246.74	1725.64	1195.46
(i)	Operational deposits (all counterparties)	347.32	86.83	112.35	28.08	105.13	26.28	100.67	25.17
(ii)	Non-operational deposits (all counterparties)	489.16	195.67	570.95	228.38	659.20	263.68	757.80	303.12
(iii)	Unsecured debt	797.33	797.33	782.60	782.60	956.78	956.78	867.17	867.17
4	Secured wholesale funding		-		-		-		-
5	Additional requirements, of which	3550.01	1180.43	3435.92	759.13	3510.36	933.61	4825.97	1797.31
(i)	Outflows related to derivative exposures and other collateral requirements	984.78	984.78	530.03	530.03	718.21	718.21	1528.89	1528.89
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	2565.23	195.65	2905.89	229.10	2792.15	215.40	3297.08	268.42
6	Other contractual funding obligations	36.96	36.96	86.17	86.17	120.98	120.98	148.51	148.51
7	Other contingent funding obligations	1493.25	49.56	1388.62	43.99	1505.53	48.85	1673.45	54.02
8	Total Cash Outflows		3248.34		2854.34		3283.11		4159.35
Cash Inflows									
9	Secured lending (e.g. reverse repos)	185.93	-	33.52	-	121.07	-	411.88	-
10	Inflows from fully performing exposures	702.31	543.93	727.94	552.15	730.72	552.01	824.05	628.29
11	Other cash inflows	1109.45	1002.83	661.94	560.84	850.65	738.02	1680.73	1558.36
12	Total Cash Inflows	1997.69	1546.76	1423.40	1112.99	1702.44	1290.03	2916.66	2186.65
			Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**
	TOTAL HQLA		3,092.37		3,051.40		3,191.27		3,423.93
	Total Net Cash Outflows		1,701.58		1,741.35		1,993.08		1,972.70
	Liquidity Coverage Ratio (%)		181.74%		175.23%		160.12%		173.57%

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

(B) **Qualitative Disclosures**

The Bank maintains Liquidity Coverage Ratio (LCR) which is a ratio of High Quality Liquid Assets (HQLA) to Expected Net Cash Outflow over the next 30 calendar days, as per the RBI guidelines. Banks were required to meet the minimum required level of 100% LCR with effect from January 1, 2019 with transition provisions which permitted banks to start with minimum LCR of 60% with effect from January 1, 2015 incremented by 10% thereafter at every January 1. For the period January 1, 2018 to December 31, 2018 the required minimum was 90% and for the period beginning January 1, 2019 the minimum LCR is 100%.

The Liquidity Coverage Ratio (LCR) as on March 31, 2019 was 105.81%. (80.31% as on December 31, 2018). In the past quarters till September 30, 2018, the Bank had been consistently classifying certain deposits in a particular manner for the purpose of computing LCR. This was based on specific terms and conditions contained in the deposit receipts issued to customers at the time of such deposits. During Q3 FY2018-19, the Bank received instructions from RBI to re-classify the deposits referred above to a higher outflow category for the purpose of computing daily average LCR. Therefore, the LCR for Q3 2018-19 and for Q4 2018-19 is lower compared to previous quarters. **As on March 31, 2019 the Bank has achieved the minimum stipulated LCR of 100%** and expects to improve and sustain this ratio further in the coming months.

The LCR is being computed and monitored on daily 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 of Net Demand and Time Liabilities ('NDTL') and government securities up to another 13 per cent of NDTL while the denominator i.e. cash outflow over next 30 days comprises mainly of the deposit maturities in next 30 day period 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 and excess CRR.

The major source of funding for the Bank is deposits from customers. The Bank does not rely significantly on interbank borrowings. However, long term refinance from SIDBI, NABARD and NHB is occasionally availed against eligible assets. Further, the Bank has committed lines of credit from a select public and private sector banks.

The Bank does not have any derivative exposure other than the forward contracts entered by the Bank which does not affect LCR of the Bank significantly.

Apart from computing the LCR in the domestic currency, the Bank is also required to compute LCR in the currency in which aggregate liabilities denominated in that currency amount to 5 per cent or more of the Bank's total liabilities. To comply with the said requirement, the Bank computes the LCR in USD as the dollar denominated liabilities are more than 5% of the Bank's total liabilities. During the financial year 2018-19 and 2017-18, the cash inflows in next 30 days denominated in the USD were usually higher than the cash outflows in next 30 days denominated in USD.

The liquidity management of the Bank is centralised 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 the intraday liquidity, if any.

9 ASSET LIABILITY MANAGEMENT

9.1 Maturity pattern of certain items of assets and liabilities as at March 31, 2019

(₹ in crore)

Maturity Buckets	Loans and Advances	Investments	Deposits	Borrowings	Foreign Currency Assets@	Foreign Currency Liabilities
Day 1	57.03	236.08	540.55	-	19.08	36.69
2 to 7 days	289.41	-	736.76	20.00	194.97	2.11
8 to 14 days	264.34	16.31	416.19	-	1.18	2.57
15 to 30 days	145.33	188.44	845.27	-	3.33	1.23
31 days to 2 months	573.93	150.36	1,379.80	100.00	21.16	9.16
Over 2 months & upto 3 months	412.13	164.23	1,587.96	55.00	38.68	11.98
Over 3 months & upto 6 months	848.73	463.02	2,803.34	74.60	17.71	46.28
Over 6 months & upto 1 year	1,595.69	820.23	6,641.72	348.10	50.37	112.77
Over 1 year & upto 3 years	9,310.17	1,144.74	12,807.17	1,360.12	8.60	42.10
Over 3 year & upto 5 years	2,717.80	1,414.46	433.23	765.38	0.77	0.95
Over 5 years	7,353.44	3,246.22	243.12	-	6.74	-
Total	**23,568.00**	**7,844.09**	**28,435.11**	**2,723.20**	**362.59**	**265.84**

@ excludes foreign currency bills discounted as they are booked in Indian Rupees.

9.2 Maturity pattern of certain items of assets and liabilities as at March 31, 2018

(₹ in crore)

Maturity Buckets	Loans and Advances	Investments	Deposits	Borrowings	Foreign Currency Assets@	Foreign Currency Liabilities
Day 1	49.86	166.79	427.03	-	28.25	28.72
2 to 7 days	275.43	0.98	587.18	-	16.48	0.99
8 to 14 days	235.15	6.84	590.09	-	2.80	0.73
15 to 30 days	142.51	102.67	831.68	-	6.22	0.92
31 days to 2 months	574.04	123.23	1,382.52	-	31.88	3.80
Over 2 months & upto 3 months	434.71	104.73	1,390.69	10.00	31.52	6.49
Over 3 months & upto 6 months	770.72	436.70	2,763.15	75.67	12.72	29.19
Over 6 months & upto 1 year	1,518.88	494.78	5,444.53	290.45	54.73	128.65
Over 1 year & upto 3 years	7,975.23	1,036.37	9,707.32	632.01	41.20	60.71
Over 3 year & upto 5 years	2,308.83	1,010.63	648.70	918.58	3.19	0.70
Over 5 years	6,051.33	2,735.24	233.97	-	6.36	-
Total	**20,336.69**	**6,218.96**	**24,006.86**	**1,926.71**	**235.35**	**260.90**

@ excludes foreign currency bills discounted as they are booked in Indian Rupees.

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.

9.3 **Concentration of Deposits**

(₹ in crore)

Particulars	March 31, 2019	March 31, 2018
Total deposits of twenty largest depositors*	**3,414.09**	3,568.95
Percentage of deposits of twenty largest depositors to total deposits of the Bank	**12.01%**	14.87%

*Excludes holders of Certificates of Deposits.

9.4 **Concentration of Advances**

(₹ in crore)

Particulars	March 31, 2019	March 31, 2018
Total advances to twenty largest borrowers	**1,740.11**	1,630.66
Percentage of Advances to twenty largest borrowers to total advances of the bank	**6.01%**	6.56%

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.

9.5 **Concentration of Exposures**

(₹ in crore)

Particulars	March 31, 2019	March 31, 2018
Total Exposures to twenty largest borrowers / customers	**1,862.05**	1,762.48
Percentage of Exposures to twenty largest borrowers / Customers to Total Exposures of the bank on borrowers / Customers	**6.04%**	6.73%

Note: Exposures reported above include both funded and non-funded exposures [including advances and investments (other than SLR Investments)] with limits or outstanding whichever is higher, for other than fully drawn term loans and NPAs. In case of fully drawn term loan and NPAs, the outstanding amount has been considered for this purpose. The exposure figure above also includes non-inter bank credit exposure on derivatives including forward exchange contracts.

9.6 **Overseas Assets, NPAs and Revenue**

(₹ in crore)

Particulars	March 31, 2019	March 31 ,2018
Total Assets	**NIL**	NIL
Total NPAs	**NIL**	NIL
Total Revenue for the year	**NIL**	NIL

9.7 **Off-Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms) as on March 31, 2019 and March 31, 2018**

Name of the SPV sponsored	
Domestic	**Overseas**
NIL	NIL

9.8 **Credit Default Swaps**

The Bank has not transacted in credit default swaps during the year ended March 31, 2019 (Previous year: NIL).

10 EXPOSURES

10.1 Exposure to the Real Estate Sector

(₹ in crore)

Category	March 31, 2019	March 31, 2018
a) Direct Exposure		
(i) Residential Mortgages(*)	**3,897.12**	2,589.16
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 – ₹ 1,719.12 crore (Previous year: ₹ 907.16 crore)		
(ii) Commercial Real Estate	**1,814.16**	2,002.67
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.)		
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures –		
(a) Residential	**-**	-
(b) Commercial Real Estate	**-**	-
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	**638.30**	584.83
Total Exposure to the Real Estate Sector	**6,349.58**	5,176.66

10.2 Exposure to the Capital Market

(₹ in crore)

Particulars	March 31, 2018	March 31, 2017
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;	**17.83**	18.82
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;	**-**	3.68
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;	**4.18**	0.24
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;	**6.80**	7.49
v. Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers; (see * below)	**337.90**	276.90
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	**366.71**	307.13

* Includes Advances to Stock Brokers ₹ 12.40 crore (Previous year: ₹ 7.40 crore) and Financial Guarantees issued on their behalf to Stock Exchanges ₹ 325.50 crore (Previous year: ₹ 269.50 crore).

10.3 **Risk category-wise country exposure**

(₹ in crore)

Risk Category	Exposure (net) as at March 31, 2019	Provision held as at March 31, 2019	Exposure (net) as at March 31, 2018	Provision held as at March 31, 2018
Insignificant	**196.83**	**-**	83.31	-
Low	**35.98**	**-**	18.22	-
Moderate Low	**1.60**	**-**	2.33	-
Moderate	**3.66**	**-**	0.73	-
Moderate High	**0.30**	**-**	-	-
High	**-**	**-**	-	-
Very High	**-**	**-**	-	-
Restricted	**-**	**-**	-	-
Total	**238.37**	**-**	104.59	-

10.4 **Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by the Bank**

As per regulatory guidelines, the Bank should restrict its exposure to 15% of its capital funds to any Single Borrower, defined as Single Borrower Limit and 40% as Group Borrower Limit. Additionally, the Bank can lend 5% to infrastructure projects and a further 5% with the specific approval of its Board.

During the years ended March 31, 2019 and March 31, 2018, the Bank has not exceeded the prudential exposure limits as laid down by the RBI guidelines for the Single Borrower Limit (SBL) and Group Borrower Limit (GBL).

10.5 **Unsecured Advances**

Details of advances included in Schedule 9 where intangibles like rights, licenses, authorisations, etc. are charged to the Bank as collateral:

(₹ in crore)

Particulars	March 31, 2019	March 31, 2018
Total amount of advances against intangible collateral	**NIL**	NIL
Estimated value of intangible collateral	**NIL**	NIL

As per directions from the RBI, these advances are treated as Unsecured Advances in Schedule 9.

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 ₹ 12.81 crore for the year ended March 31, 2019 (Previous year ₹ 11.19 crore).

During the year, the Bank has contributed ₹ 0.72 crores (previous year ₹ 0.68 crores) to the National Pension Scheme for employees who had opted for the scheme.

The Bank has a gratuity trust approved by Income Tax Department namely "DCB Bank Limited Staff Gratuity Fund". Every employee who has completed 5 years or more of service gets gratuity on separation at half month's last drawn salary for each completed year of service, subject to a cap of ₹ 20.00 lakhs for employees who joined after April 1, 2006 and without any such limit for other employees.

Reconciliation of opening and closing balance of the present value of the defined benefit obligation for gratuity benefits is given below:

(₹ in crore)

Particulars	March 31, 2019	March 31, 2018
Balance Sheet – Details of provision for Gratuity		
Defined benefit obligation	**19.83**	16.79
Fair value of plan Assets	**19.27**	15.66
Net Assets/(Liabilities)	**(0.56)**	(1.13)
Amounts in Balance Sheet		
Assets (included in Schedule 11 – Other Assets)	**-**	-
Liabilities (included in Schedule 5 – Other Liabilities and Provisions)	**0.56**	1.13
Change in Defined Benefit Obligations		
Obligations at the beginning of the year	**16.79**	13.93
Interest Cost	**1.11**	0.99
Current Service Cost	**2.20**	2.46
Past Service Cost	**-**	0.37
Benefits paid	**(1.50)**	(1.05)
Actuarial (gain)/loss on Obligation	**1.23**	0.09
Present value of obligation at the end of the year	**19.83**	16.79
Change in the Fair value of Plan Assets		
Fair value of plan assets at the beginning of the year	**15.66**	13.38
Expected Return on plan assets	**1.31**	1.09
Contributions	**3.64**	2.50
Benefits paid	**(1.50)**	(1.05)
Actuarial gain/(Loss) on plan assets	**0.16**	(0.26)
Fair value of plan assets at the end of the year	**19.27**	15.66
Cost for the year		
Current service cost	**2.20**	2.46
Interest cost	**1.11**	0.99
Expected return on plan assets	**(1.31)**	(1.09)
Net Actuarial (gain)/loss recognised in the year	**1.07**	0.35
Past service cost	**-**	0.37
Expense recognised in "Payments to and Provision for Employees" [Refer Schedule-16 (I)]	**3.07**	3.08
Actual return on plan assets	**1.47**	0.83
Experience Adjustments		
On obligation	**0.98**	0.51
On plan assets	**0.16**	(0.26)
Assumptions		
Discount rate	**6.95% p.a.**	7.37% p.a.
Expected return on plan assets	**7.50% p.a.**	7.50% p.a.
Mortality	**Indian Assured Lives Mortality (2012-14) Ultimate**	Indian Assured Lives Mortality (2006-08) Ultimate
Future salary increases	**5.00% p.a.**	5.00% p.a.

Experience adjustments

(₹ in crore)

Particulars	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
Plan assets	**19.27**	15.66	13.38	10.20	8.24
Defined benefit obligation	**19.83**	16.79	13.93	11.27	9.50
Surplus / (Deficit)	**(0.56)**	(1.13)	(0.55)	(1.07)	(1.26)
Experience adjustment gain/ (loss) on plan assets	**0.16**	(0.26)	0.38	0.42	0.01
Experience adjustment (gain) /loss on plan liabilities	**0.98**	0.51	(0.33)	(0.00)	(0.62)

All the plan assets are invested by the gratuity trust namely "DCB Bank Limited Staff Gratuity Fund" in Government securities (CY about 51%, PY about 50%), high rated corporate bonds (CY about 33%, PY about 34%), units of mutual funds/ insurance companies (CY about 12%, PY about 12%) and others (CY about 4%, PY about 4%) 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 ₹ 7.41 crore (Previous year: ₹ 6.62 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, 2019	March 31, 2018
Basic		
Net Profit (₹ in crore)	**325.37**	245.34
Weighted average number of equity shares outstanding	**308,925,965**	306,080,311
Basic Earnings per share (₹)	**10.53**	8.02
Diluted		
Net Profit (₹ in crore)	**325.37**	245.34
Weighted average number of equity shares outstanding	**314,167,993**	312,363,730
Diluted Earnings per share (₹)	**10.36**	7.85
Face value per share (₹)	**10.00**	10.00

Dilution of equity is on account of 5,242,028 (Previous year 6,283,419) 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 granted the following options.

Date	Price	Sub Plan 1	Sub Plan 2
April 13, 2018	176.45	-	40,000

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	
2nd	-	30%	30%
3rd	40%	30%	30%
4th	30%	20%	20%
5th	30%	20%	20%

Any Option granted pursuant to the Plan shall become exercisable in full upon the retirement of the employee.

Method used for accounting for ESOP

The Bank has applied the intrinsic value method to account for the compensation cost of ESOP to the employees of the Bank. Intrinsic value is the amount by which the quoted market price of the underlying share exceeds the exercise price of the options.

Activity in options outstanding under Employees Stock Option Plan

Particulars	March 31, 2019		March 31, 2018	
	Number of options	Weighted Average Exercise Price	Number of options	Weighted Average Exercise Price
Options outstanding at the beginning of the year	**9,354,205**	**65.32**	10,378,995	63.54
Granted during the year	**40,000**	**176.45**	75,000	181.75
Exercised during the year	**1,462,015**	**69.83**	950,530	52.73
Forfeited/Lapsed during the year	**151,685**	**100.74**	149,260	80.15
Options outstanding at the end of the year*	**7,780,505**	**64.35**	9,354,205	65.32
Options exercisable	**5,402,105**	**55.34**	5,504,705	53.60

*Includes 1,400 (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, 2019 is ₹ 172.03 (Previous year ₹ 190.32).

Summary of stock options outstanding as on March 31, 2019 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	**1,750**	19.77	1.34
₹ 25.00 – ₹ 109.00	**7,156,565**	59.20	5.65
₹ 110.00– ₹ 200.00	**622,190**	123.81	6.95

There were 1,462,015 stock options exercised during the year ended March 31, 2019.

Summary of stock options outstanding as on March 31, 2018 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	3,100	20.52	2.05
₹ 25.00 – ₹ 109.00	8,617,660	60.52	6.47
₹ 110.00– ₹ 200.00	733,445	121.91	7.18

There were 950,530 stock options exercised during the year ended March 31, 2018.

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. The Bank estimated the volatility based on the historical share prices.

The various assumptions considered in the pricing model for ESOPs granted during the year ended March 31, 2019 and March 31, 2018 were:

Particular	March 31, 2019	March 31, 2018
Dividend Yield	**0.39%**	0.29%
Expected Volatility	**50%**	51%
Risk Free Interest Rate	**7.39%**	6.62%
Expected life of options	**6 years**	7 years

The expected volatility was determined based on historical volatility data; historical volatility includes data since listing.

The weighted average fair value of options granted during the year ended March 31, 2019 is ₹ 62.86 (Previous year ₹ 48.39).

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

Impact of Fair Value Method on Net Profit and EPS

Had the compensation cost for the Bank's stock option plans outstanding 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, 2019	March 31, 2018
Net Profit (as reported)	**325.37**	245.34
Add: Stock based compensation expense accounted	**0.06**	0.15
	325.43	245.49
Less: Stock based compensation expense determined under fair value based method (proforma)	**1.84**	3.82
Net Profit (proforma)	**323.59**	241.67

Particular	March 31, 2019	March 31, 2018
Basic earnings per share (as reported)	**10.53**	8.02
Basic earnings per share (proforma)	**10.47**	7.90
Diluted earnings per share (as reported)	**10.36**	7.85
Diluted earnings per share (proforma)	**10.30**	7.74

11.4 **Segment Information**

Part A: Business Segments

(₹ in crore)

Business Segments	Treasury Operations		Corporate / Wholesale Banking		Retail Banking		Other Banking Operations		Total	
Particulars	**FY 2018-19**	**FY 2017-18**	**FY 2018-19**	**FY 2017-18**	**FY 2018-19**	**FY 2017-18**	**FY 2018-19**	**FY 2017-18**	**FY 2018-19**	**FY 2017-18**
Revenue	902.06	739.81	491.47	386.06	2,736.60	2,179.53	35.18	30.32	4,165.31	3,335.72
Unallocated Revenue									(0.27)	9.46
Total Revenue[1]									**4,165.04**	**3,345.18**
Result	53.34	57.96	65.82	52.37	376.10	257.18	33.98	28.27	529.24	395.78
Unallocated Result									(22.70)	(9.61)
Total									**506.54**	**386.17**
Unallocated expenses									-	-
Operating profit									646.60	524.97
Income taxes									(181.17)	(140.83)
Extraordinary profit / loss	-	-	-	-	-	-	-	-	-	-
Net profit									**325.37**	**245.34**
Other Information										
Segment assets	11,179.80	8,956.38	3,938.66	4,330.39	20,447.38	16,749.02	0.06	0.12	35,565.90	30,035.91
Unallocated assets									225.93	186.18
Total assets									**35,791.83**	**30,222.09**
Segment liabilities	7,523.96	7,252.93	3,012.37	1,716.79	22,133.01	18,437.51	1.06	1.21	32,670.40	27,408.44
Unallocated liabilities[2]									3,121.43	2,813.65
Total liabilities									**35,791.83**	**30,222.09**
Capital Expenditure	0.77	0.12	2.42	1.66	68.21	50.63	0.96	1.00	72.36	53.41
Unallocable									5.82	6.18
Total Capital Expenditure									**78.18**	**59.59**
Depreciation	0.88	1.07	0.49	0.55	41.36	50.50	-	-	42.73	52.12
Unallocable									1.45	1.24
Total Depreciation									**44.18**	**53.36**
Non Cash Expenses[3]	2.14	6.12	34.12	29.31	82.32	86.49	-	-	118.58	121.92
Unallocable									21.48	16.88
Total Non Cash Expenses									**140.06**	**138.80**

1. Revenue i.e. Total Revenue includes inter segment revenue of ₹ 773.39 crore in FY 2018-19 (Previous year ₹ 621.92 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 ₹ 3,391.65 crore in FY 2018-19 (Previous year: ₹ 2,723.26 crore)
2. Includes Capital and Reserves.
3. Excluding depreciation and provision for taxes
4. Income, expense, assets and liabilities have been either specifically identified with individual segment or allocated to segments on a systematic basis or classified as unallocated.
5. Inter-segment transactions have been generally based on transfer pricing measures as determined by the Management.

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.

11.5 **Related Party Transactions**

Related Parties in terms of AS-18 on "Related Party Disclosures" are disclosed below:

Mr. Murali M. Natrajan : Key Management Personnel

The details of transactions entered into with the Key Management Personnel of the Bank are as under:

(₹ in crore)

Particulars	**March 31, 2019**	March 31, 2018
Mr. Murali M. Natrajan: Managing Director Managerial Remuneration	**4.94**	6.13

Managerial Remuneration excludes perquisite value of employee stock options exercised during FY 2018-19 and FY 2017-18.

11.6 **Deferred Tax**

a. At each Balance Sheet date, the Bank re-assesses unrecognised Deferred Tax Assets. The Bank recognises previously unrecognised Deferred Tax Assets to the extent that it has become reasonably certain that sufficient future taxable income will be available against which such Deferred Tax Assets can be realised.

b. The composition of Deferred Tax Assets (DTA) and Deferred Tax Liabilities (DTL) is as under:

(₹ in crore)

Sr. No.	**Particulars**	**As at March 31, 2019**	As at March 31, 2018
A.	DTA :		
(i)	Provision for Loan Losses (minus deduction u/s 36(1)(viia) of the Income Tax Act, 1961)	**119.59**	96.89
(ii)	Others	**4.37**	6.85
	Total DTA [A]	**123.96**	103.74
B.	DTL :		
(i)	Depreciation	**12.86**	10.84
(ii)	Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961	**22.46**	14.79
(iii)	Others	**-**	-
	Total DTL [B]	**35.32**	25.63
C.	**NET DTA [A – B]**	**88.64**	78.11

11.7 **Assets Taken Under Operating Leases**

(₹ in crore)

Particulars	**March 31, 2019**	March 31, 2018
Minimum Lease Rent payable		
Payable not later than 1 year	**45.76**	41.32
Payable later than 1 year but not later than 5 years	**161.48**	156.00
Payable later than 5 years	**244.07**	235.25
Total	**451.31**	432.57
The total of lease payments recognised in the Profit and Loss Account for the year	**50.51**	46.29

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.

11.8 **Revaluation of Fixed Assets**

The Bank revalued its owned premises as at December 31, 2016 which resulted in a revaluation gain of ₹ 208.69 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 2018-19 an amount of ₹ 6.06 crore (Previous year: ₹ 6.07 crore) has been charged to the Profit and Loss Account in line with requirements of the Guidance Note on Accounting for Depreciation in Companies in the Context of Schedule II to the Companies Act, 2013 issued by the Institute of Chartered Accountants of India and this amount has been transferred from Revaluation Reserve to "Balance in Profit and Loss Account".

11.9 **Contingent Liabilities**

Description of Contingent Liabilities:

Sr. No.	Contingent Liability (*)	Brief Description
1.	Claim against the Bank not acknowledged as Debts	An amount of ₹ 43.86 crore (Previous year: ₹ 34.88 crore) is outstanding as at March 31, 2019, as claims against the Bank not acknowledged as Debts, including ₹ 28.50 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 does not expect the outcome of these proceedings to have a materially adverse effect on its financial results. (Also refer note 17 on pending litigation cases)
2.	Liability on account of outstanding forward exchange and derivative contracts	An amount of ₹ 594.05 crore (Previous year: ₹ 4,164.75 crore) is outstanding as at March 31, 2019. 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. Currency swaps are commitments to exchange cash flows by way of interest/principal in two currencies, based on ruling spot rates. Interest rate futures are standardised, exchange-traded contracts that represent a pledge to undertake a certain interest rate transaction at a specified price, on a specified future date.
3.	Guarantees given on behalf of constituents, Acceptances, Endorsements and Others	An amount of ₹ 1,509.89 crore (Previous year: ₹ 1,552.13 crore) is outstanding as at March 31, 2019. As part of its commercial banking activity, the Bank issues Letters of Credit and Guarantees on behalf of its customers.
4.	Other items for which the Bank is contingently liable.	An amount of ₹ 1,038.12 crore (Previous year: ₹ 1,196.58 crore) is outstanding as at March 31, 2019. These include liability on account of reverse repo transaction with the RBI, credit enhancement relating to the sale of mortgage loan portfolio undertaken by the Bank, capital commitments and the unclaimed liabilities where amount due has been transferred to Depositor Education and Awareness Fund (DEAF) with RBI.

*Also refer Schedule – 12.

11.10 **Change in accounting estimates**

As per the requirements of Accounting Standard (AS) 10 – Property, Plant and Equipment, the Bank has reviewed useful life of all its fixed assets. Based on the review, the Bank has identified certain class of assets, wherein based on the experience of the Bank, the useful life of the assets is higher than those estimated in earlier periods and vice versa, accordingly the Bank has revised useful life of certain identified class of assets, due to which depreciation charge for the financial year 2018-19 is lower by ₹ 13.71 crore.

12 ADDITIONAL DISCLOSURES

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

(₹ in 000's)

Particulars	March 31, 2019	March 31, 2018
Provision for Income Tax		
- Current	**1,917,075**	1,678,289
- Deferred (Refer note 11.6)	**(105,339)**	(269,985)
Depreciation on Investments	**21,216**	61,078
Provision/write-off towards non-performing assets	**1,091,841**	1,123,261
Floating Provision	**214,845**	168,754
Provision for Standard Assets*	**74,634**	45,972
Sacrifice in One Time Settlement	**4,432**	8,699
Provision for Other Assets and Contingencies	**(2,121)**	(22,029)
Provisions for Restructured Advances	**(4,243)**	2,243
Total	**3,212,340**	2,796,282

* includes provision for unhedged foreign currency exposure and provision for specific standard assets.

12.2 Floating Provisions

The Bank has put in place a Board approved Floating Provision policy in accordance with the RBI guidelines.

Movement in floating provision is set out below:

(₹ in crore)

Particulars	March 31, 2019	March 31, 2018
Opening balance at the beginning of the year	**56.80**	39.92
Provision made during the year	**21.48**	16.88
Draw down made during the year	**-**	-
Closing balance at the end of the year	**78.28**	56.80

12.3 Provisioning Coverage Ratio

In accordance with the RBI guidelines, the Bank's Provisioning Coverage Ratio at March 31, 2019 is 78.77% (Previous year: 75.72%).

12.4 Depositor Education and Awareness Fund (DEAF)

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 DEAF.

Details of amounts transferred to DEAF are set out below:

(₹ in crore)

Particulars	March 31, 2019	March 31, 2018
Opening balance of amounts transferred to DEAF	**31.00**	26.10
Add : Amounts transferred to DEAF during the year	**7.21**	5.60
Less : Amounts reimbursed by DEAF towards claims	**0.53**	0.70
Closing balance of amounts transferred to DEAF	**37.68**	31.00

12.5 Unhedged Foreign Currency Exposure(UFCE)

In accordance with the RBI guidelines on banks' exposures to entities with Unhedged Foreign Currency Exposure ('UFCE'), the Bank has put in place a mechanism to seek information from its borrowers and to evaluate the currency induced credit risk. In the case of listed entities, the Bank obtains information relating to unhedged positions based on the latest available audited / reviewed financial statements; whilst in the case of unlisted / private companies, the Bank obtains the aforesaid information based on the latest available audited financial statements (not exceeding a financial year) so as to estimate the extent of likely loss and to provide for incremental capital or to recognise

incremental provision in accordance with the aforesaid guidelines. Further, as per the above-mentioned guidelines, the Bank obtains audited and certified UFCE information from the statutory auditors of the borrowers on an annual basis. In the case of smaller entities i.e. entities with exposure to banking industry of less than ₹ 25 crore and as identified by the Bank as having any foreign exchange exposure, the Bank recognises 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, 2019	March 31, 2018
Provisioning Requirement for UFCE	**2.75**	2.75
Risk weight on account of UFCE	**33.37**	53.51
Capital Requirement at 9%	**3.00**	4.82

12.6 **Customer Complaints**

(A) Customer complaints other than complaints pertaining to ATM cards issued by the Bank+

	Particulars	As at March 31, 2019	As at March 31, 2018
(a)	No. of complaints pending at the beginning of the year	**10**	9
(b)	No. of complaints received during the year	**1,048**	1,003
(c)	No. of complaints redressed during the year	**1,026**	1,002
(d)	No. of complaints pending at the end of the year*	**32**	10

* Out of 32 (Previous year: 10) pending complaints, there were 6 complaints (Previous year: 6) pertaining to CDRF (Consumer Disputes Redressal Forum) cases.

+ As compiled by the Management and relied upon by the auditors.

(B) Customer Complaints pertaining to ATM Cards issued by the Bank+

	Particulars	As at March 31, 2019	As at March 31, 2018
(a)	No. of complaints pending at the beginning of the year	**157**	74
(b)	No. of complaints received during the year	**5,453**	4,003
(c)	No. of complaints redressed during the year	**5,499**	3,920
(d)	No. of complaints pending at the end of the year	**111**	157

+ As compiled by the Management and relied upon by the auditors

12.7 **Awards passed by the Banking Ombudsman+**

	Particulars	As at March 31, 2019	As at March 31, 2018
(a)	No. of unimplemented Awards at the beginning of the year	**-**	-
(b)	No. of Awards passed by Banking Ombudsman during the year	**-**	-
(c)	No. of Awards implemented during the year	**-**	-
(d)	No. of unimplemented Awards pending at the end of the year	**-**	-

+ As compiled by the Management and relied upon by the auditors.

12.8 **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, 2019 was NIL (Previous year: ₹ 105.88 crore).

12.9 **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.

12.10 **Priority Sector Lending Certificates ('PSLCs')(Category-wise) sold and purchased during the year.**

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018
PSLC purchased during the year		
(i) PSLC – Agriculture	**60.50**	311.00
(ii) PSLC – SF/MF	**-**	-
(iii) PSLC – Micro Enterprises	**-**	-
(iv) PSLC – General	**-**	-
Total	**60.50**	311.00
PSLC sold during the year		
(i) PSLC – Agriculture	**-**	-
(ii) PSLC – SF/MF	**-**	-
(iii) PSLC – Micro Enterprises	**4,059.50**	1,952.00
(iv) PSLC – General	**1,250.00**	660.00
Total	**5,309.50**	2,612.00

12.11 **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, 2019	As at March 31, 2018
(a)	Number of frauds reported during the year	**128**	16
(b)	Amount involved in fraud net of recoveries/ write-offs as at the end of the year	**24.73**	1.37
(c)	Provisions made during the year	**24.73**	1.37
(d)	Quantum of unamortised provision debited from 'other reserves' at the end of the year	**NIL**	NIL

Notes:

1 Out of 128 frauds as at March 31, 2019, there were 102 cases pertaining to card transactions of the Bank's customers.

2 During the financial year 2018-19, the Bank incurred frauds amounting to ₹ 24.73 crore in its loan portfolio in respect of certain borrowers, which has been fully provided for, net of recoveries.

13 OTHER MATTERS

13.1 **Disclosure of penalties imposed by RBI**

RBI, vide its Order dated February 25, 2019 had directed the Bank to pay a penalty of ₹ 2 crore in terms of Section 35, 35A, 46 and 47A of the Banking Regulation Act, 1949, for contravention of regulatory guidelines issued by RBI on Time bound implementation and strengthening of SWIFT related operational controls. The Bank paid the penalty on March 11, 2019.

No penalties were imposed by RBI on the Bank during the financial year ended March 31, 2018.

13.2 **Corporate Social Responsibility (CSR)**

The Bank was required to spend ₹ 6.34 crore (Previous year: ₹ 4.91 crore) during the financial year 2018-19 towards Corporate Social Responsibility (CSR), in accordance with Companies Act, 2013.

The Bank has spent an amount of ₹ 3.87 crore (Previous year: ₹ 1.77 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 2018-19 towards CSR are as under:

(₹ in crore)

Particulars	In cash	Yet to be paid in cash (i.e. provision)	Total
1) Construction/acquisition of any assets	-	-	-
2) For purposes other than (1) above:	3.87	-	3.87

The details of amount spent during FY 2017-18 towards CSR are as under:

(₹ in crore)

Particulars	In cash	Yet to be paid in cash (i.e. provision)	Total
1) Construction/acquisition of any assets	-	-	-
2) For purposes other than (1) above:	1.77	-	1.77

CSR projects and programmes undertaken by the Bank

CSR projects and programmes focused on water and the protection of sources of water; recycling; waste management; renewable energy and measures to offset the impact of climate change through tree plantation and watershed development. On the ground activities namely were: watershed development and rejuvenation of semi-arid and degraded land, installation of waterless urinals to arrest wastage of clean water and prevent discharge of polluting detergents and cleaning chemicals into the waste water, roof-top rain water harvesting and installation of non-electric bio-sand water filters in village schools at locations starved of potable water, tree plantation to rejuvenate buffer areas around forests; sanctuaries and streams, desilting and rejuvenation of tanks for the benefit of village communities and tribal hamlets. In all watershed development projects, community mobilization and their contribution by way of 'shram-daan' (voluntary contribution by way of physical labour) by the project beneficiaries has been a notable feature. The communities and DCB Bank have collaborated in the creation of water trenches, ponds, percolation tanks, bunds in drought prone water starved villages. Other activities include climate change mitigation and improving the micro-climate, promotion of renewable energy with the installation of solar street lights in remote tribal village communities lacking in electric grid supply, propagation of best practices such as alternatives to plastic bags and reducing the use of plastic products, dissemination and communication about climate change mitigation and sustainability projects through audio visuals and a record setting solo motorcycle ride to the four corners of India. The Bank's message of saving water and promoting the use of eco-friendly alternatives to harmful plastic. The solo ride set an India record for the fastest solo woman motorcycle rider to cover all four corners of India – a journey of 15,219 kilometers completed in 29 days.

Employee volunteering under the banner of 'DCB Social', had participants spearhead CSR activities such as cleanup of lakes, locality focused waste management, restoration of natural habitat and green cover and the creation of nature parks. Tree plantation, tree count, promotion of economically valuable fruit trees were amongst the activities driven by employees. 729 DCB Bank employee volunteers contributed to CSR activities. In essence, the Bank's CSR projects involve the communities to bring about sustainable development and mitigation of climate change, because as a nation we are in an extreme water stress situation, in need of immediate and urgent attention.
The above details of CSR projects and programmes have been compiled by the Management and relied upon by the auditors.

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 objectives 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 and the Key Managerial Personnel.
- 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 and direct reportees.
- Review and approve succession plans for CEO, CFO and Company Secretary and CEO's direct senior management reportees.

Objectives of Compensation Policy

The Bank has put in place a Board approved Compensation Policy.

An important objective of the Compensation Policy is to provide all relevant internal and external parties with appropriate information and transparency thereby promoting a thorough understanding of the Bank's compensation practices.

The Bank's objective is to maintain a Compensation Policy that:-

- Is able to attract, retain talent and motivate them to perform at high standards.
- Facilitates a performance culture in the Bank by balancing a mix of fixed pay with variable pay.
- Supports the Bank's risk management practices and takes into account long-term performance of the Bank.
- Is compliant with regulatory requirements and is approved by the Board's Nomination and Remuneration Committee.

Risk adjustments in remuneration

The methodologies for adjusting remuneration to risk and performance are consistent with the general risk management and corporate governance framework. Risk adjustments take into account the nature of the risks involved and the time horizons over which they could emerge. The Bank is adhering to the guidelines mentioned in the Basel Committee on Banking Supervision report on Range of Methodologies for Risk and Performance Alignment of Remuneration and Financial Stability Board (FSB) Implementation standards on sound compensation practices.

The Bank ensures that there is proper risk alignment with the compensation of MD & CEO and other Whole Time Directors such that no undue risks are being taken against the interest of the Bank. In general, the review of Risk Management framework is the integral part of the annual performance review applicable to all employees.

The Risk Management Committee of the Bank through its representative on the NRC shall independently provide inputs for assessment under risk alignment.

Performance linked variable compensation

An annual Rewards Exercise (Compensation Revision) is done for alignment of compensation structure across levels keeping the following considerations, namely; performance of the bank, alignment of risks with the rewards, encouraging rewards based on the long term contributions to the bank, cost/ income ratio of the bank, employee turnover on account of increased demand of talent in the industry and other related factors. Annually, the NRC reviews and approves the reward approach presented by the Management.

Variable pay for all Whole Time Directors ('WTD') / Managing Director ('MD') & Chief Executive Officer ('CEO') and other employees shall not exceed 70% of fixed pay, The variable pay offered will be linked to the Bank's performance and could be reduced in whole/part during a year of poor performance. Where Variable Pay exceeds 50% (substantial pay) of the fixed pay, 60% of the entire variable pay for the respective year will be paid upfront and vesting of remaining 40% will be deferred over the next 3 years in equal proportions.

For all employees including WTD and MD & CEO, in the event of negative contributions of the Bank and/ or the relevant line of business in any year, the unvested deferred Variable Pay (performance bonus/ performance payout) shall be subjected to malus/ clawback arrangements in part /full amount.

b) Quantitative disclosures

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(a)	Number of meetings held by the Nomination and Remuneration Committee during the financial year	**5**	5
(b)	Remuneration paid to the members of the Nomination and Remuneration Committee	**0.09**	0.04
(c)	Number of employees having received a variable remuneration award during the financial year (as per compensation policy)	**14**	7
(d)	Number and total amount of sign-on awards made during the financial year	**NIL**	NIL
(e)	Details of guaranteed bonus, if any, paid as joining / sign on bonus	**NIL**	NIL
(f)	Details of severance pay, in addition to accrued benefits, if any	**NIL**	NIL
(g)	Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms	**1.39 (cash bonus)**	NIL
(h)	Total amount of deferred remuneration paid out in the financial year	**0.00**	0.005
(i)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred[1,2]	**Fixed 16.42** **Variable 5.36** - Deferred 1.39 - Non-deferred 3.97	**Fixed 10.66** **Variable 3.95** - Deferred 0.00 - Non-deferred 3.95
(j)	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and / or implicit adjustment	**1.39**	NIL
(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

1. Excludes ESOP granted during the year.
2. Includes Perquisites and Contribution to Provident Fund.

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 ₹ 1.20 crore (Previous year: ₹ 0.76 crore) was paid as sitting fees to the Non-Executive Directors during the year.

13.5 **Proposed Dividend**

The Board of Directors have recommended a dividend of ₹ 1.00 per share (10%) for the year ended March 31, 2019 subject to approval of the shareholders in the ensuing Annual General Meeting.

According to the revised AS 4 - 'Contingencies and events occurring after the balance sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, the Bank has not accounted proposed dividend (including tax) as a liability for the year ended March 31, 2019. However, the Bank has reckoned proposed dividend in determining capital funds in computing capital adequacy ratio at March 31, 2019.

Dividend paid during the year, represents dividend (₹ 0.75 per equity share) for the year ended March 31, 2018 paid pursuant to approval of shareholders at Annual General Meeting held on June 02, 2018.

14 INCOME FROM BANCASSURANCE BUSINESS

(₹ in crore)

Sr. No.	Nature of Income	March 31, 2019	March 31, 2018
1.	For selling life insurance policies	**20.37**	16.69
2.	For selling non-life insurance policies	**11.73**	9.64
3.	For selling mutual fund products	**3.08**	3.99
4.	Others	**-**	-
	Total	**35.18**	30.32

15 DRAW DOWN FROM RESERVES

The Bank has drawn down ₹ 1.02 crore from Investment Reserve Account towards depreciation on investment in AFS and HFT categories in terms of RBI guidelines during the financial year 2018-19 (Previous year: ₹ 2.91 crore).

16 Net overnight open position outstanding as on March 31, 2019 was ₹ 1.01 crore (Previous year: ₹ 0.80 crore).

17 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 11.9 for details on contingent liabilities.

18 The Bank has a process whereby periodically all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year-end, the Bank has reviewed and ensured 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.

19 Previous year's figures have been regrouped / reclassified, wherever considered necessary, in order to make them comparable with figures for the current year.

20 These are the notes appended to and forming part of the financial statements for the year ended March 31, 2019.

As per our report of even date.

For DELOITTE HASKINS & SELLS
Chartered Accountants
Firm Registration Number: 117365W

Kalpesh J. Mehta
Partner
Membership No. : 48791

Place : Mumbai
Date : April 18, 2019

For and on behalf of the Board of Directors

Nasser Munjee	**Murali M. Natrajan**	**Ashok Barat**
Chairman	MD & CEO	Director
Bharat Sampat	**Rubi Chaturvedi**	
Chief Financial Officer	Company Secretary	

Place : Mumbai
Date : April 18, 2019

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, 2019, the Bank does not have investment in any insurance entity.

2. CAPITAL STRUCTURE

Capital funds are classified into Tier-I and Tier-II capital under the capital adequacy framework.

Tier-I Capital

The Bank's Tier I capital will consist of Common Equity Tier I and Additional Tier I capital. Common Equity Tier 1 (CET1) capital must be at least 5.5% of risk-weighted assets (RWAs) i.e. for credit risk + market risk + operational risk on an ongoing basis and Additional Tier I capital can be a maximum of 1.5%, thus making total Tier I capital to be at least 7%.

In addition to the minimum Common Equity Tier 1 capital of 5.5% of RWAs, banks are also required to maintain a capital conservation buffer (CCB) of 2.5% of RWAs in the form of Common Equity Tier 1 capital. In terms of the RBI guidelines dated March 27, 2014 the implementation of CCB is effective from March 31, 2016 in four stages of increase by 0.625% every year. RBI has deferred the implementation of last tranche of 0.625% of CCB from March 31, 2019 to March 31, 2020. Consequently, Basel III Capital Regulations will be fully implemented as on March 31, 2020.

Tier-I capital includes paid-up equity capital, share 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, 2019 the Bank has issued subscribed and paid-up capital of ₹ 3.10 billion, constituting 309,546,898 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, 2019 the Bank had an outstanding subordinated debt (Unsecured Redeemable Non-convertible Bonds) aggregating ₹ 6,866 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, 2019
31 March 2016	10.25%	121	866.0
18 November 2016	9.85%	120	1,500.0
17 November 2017	9.85%	120	3,000.0
12 January 2018	9.85%	120	1,500.0
Total			**6,866.0**

Composition of Capital – Tier I and Tier II

(₹ million)

Particulars		As on March 31, 2019
1.	**Tier I capital**	
1.1	Paid-up share capital	3,095.5
1.2	Reserves	25,946.4
1.3	Gross Tier I capital (1.1 + 1.2)	29,041.9
1.4	Deductions	-
1.5	**Total Tier I capital (1.3 - 1.4)**	**29,041.9**
2.	**Tier II capital**	
2.1	Subordinated Debt (Lower Tier II bonds)	6,866.0
2.2	General Provisions	1,368.0
2.3	Gross Tier II capital (2.1 + 2.2)	8,234.0
2.4	Deductions	-
2.5	**Total Tier II capital (2.3 - 2.4)**	**8,234.0**
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	6,866.0
4.2	Of which amount raised during the current year	-
4.3	Amount eligible to be reckoned as capital funds	6,866.0
5.	**Other deductions from capital**	
5.1	Other deductions from capital	-
6.	**Total eligible capital**	
6.1	**Total eligible capital (1.5 + 2.5)**	**37,275.9**

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 Securitized 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. The Bank has continued parallel run of Basel II framework continuously tracking the exposures and studied the impact on Bank's Capital to Risk weighted Assets Ratio (CRAR) on a monthly basis. 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, 2019. Besides this, the Bank continues to apply the Standardised Duration Approach (SDA) for computing capital requirement for Market Risk. RBI has prescribed banks to maintain a minimum CRAR of 9% with regard to credit risk, market risk and operational risk on an ongoing basis. The total Capital to Risk weighted Assets Ratio (CRAR) as per Basel III guidelines works to 16.81% as on March 31, 2019 (as against minimum regulatory requirement of 10.875%). The Tier I CRAR stands at 13.10% as against RBI's prescription of 7.00%. 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, 2019
1. Capital requirement for Credit Risk	**17,249.9**
• Portfolio subject to Standardised Approach	17,074.4
• Securitization Exposures	175.5
2. Capital requirement for Market Risk	**815.6**
• Standardised Duration Approach	
o Interest Rate Risk	679.2
o Foreign Exchange Risk (Including gold)	54.0
o Equity Risk	82.4
3. Capital requirement for Operational Risk	**1,590.8**
• Basic Indicator Approach	1,590.8
Total capital requirements at 9% (1 + 2 + 3)	**19,656.3**
Total capital	**37,275.9**
CRAR %	**16.81 %**
Tier-I CRAR %	**13.10 %**

4. RISK MANAGEMENT FRAMEWORK

The Bank is exposed to various types of risk such as Credit, Market, Operation, Liquidity, Interest Rate, Reputational, Legal and Strategic risk. The Bank has separate and independent Risk Management Department in place which oversees all types of risks in an integrated fashion.

The objective of risk management is to have optimum balance between risk and return. It entails the identification, measurement and management of risks across the various businesses of the Bank. Risk is managed through framework defined in policies approved by the Board of Directors and supported by an independent risk management function which monitors and takes corrective action so that the Bank operates within its risk appetite. The risk management function attempts to anticipate vulnerabilities through quantitative or qualitative examination of the embedded risks in various activities. The Bank continues to focus on refining and improving its risk measurement systems. In addition to ensuring compliance with regulatory requirements, the Bank has developed robust internal

systems for assessing capital requirements keeping in view the business objectives.

The Board of Directors (BOD) approves the strategies and policies for Risk Management, based on recommendations of the Risk Management Committee (RMC) of the Board set up to focus upon risk management issues. The RMC reviews various aspects of risk arising from the businesses undertaken by the Bank. Operating level risk committees comprising of senior management viz. Asset Liability Management Committee (ALCO), the Operational Risk Management Committee (ORCO) and the Credit Risk Management Committee (CRMC) oversee specific risk areas. These committees in turn provide inputs for review by the Risk Management Committee (RMC).

4.1 Risk Management Committee (RMC) of the Board:

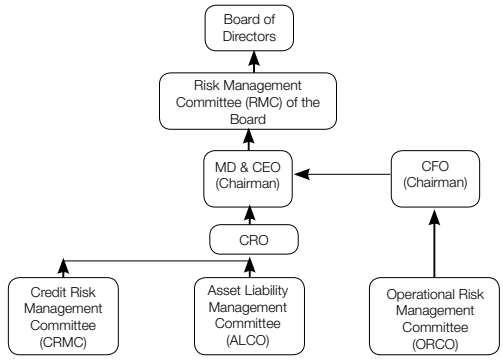
The Risk Management Committee of the Board is the primary tier to oversee implementation of Board approved strategies and policies, recommend setting up of tolerance limits wherever required, monitor implementation of strategies and policies, as well as adherence to prescribed tolerance limits, etc. The RMC oversees the functioning of Executive Level Committees for risk management. For this purpose, the minutes of the meetings of the Executive Level Committees are placed before RMC regularly. Matters relating to Credit risk are routed through the Credit Committee of Board (CCB) which also approves individual credit exposure in excess of executive delegated lending authority.

4.2 Executive Level Committees:

At Executive Management level, the organisational responsibilities for implementing and monitoring Board approved strategies and policies and adhering to prescribed tolerance limits etc. are as under:

Sr. No.	Executive Level Committee	Focus Area	Chairman
1	Asset Liability Management Committee (ALCO)	All aspects of Market Risk management, monitoring & control	Managing Director & Chief Executive Officer (MD & CEO)
2	Credit Risk Management Committee (CRMC)	All aspects of Credit Risk management, monitoring & control	Managing Director & Chief Executive Officer (MD & CEO)
3	Operational Risk Management Committee (ORCO)	All aspects of Operational Risk management, monitoring & control	Chief Financial Officer (CFO)

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 July 1, 2015).

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, 2019:

(₹ million)

Category	Exposure
Fund based[1]	2,68,782.7
Non fund based[2]	20,698.6
Total	2,89,481.3

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, 2019:

(₹ million)

Category	Domestic	Overseas
Fund based	2,68,782.7	-
Non fund based	20,698.6	-
Total	**2,89,481.3**	**-**

5(d) Industry type distribution of exposures as on March 31, 2019:

(₹ million)

Industry	Fund Based	Non Fund Based	Total
Retail Loans	**46,144.2**	**65.7**	**46,209.9**
Housing Loans	39,281.1	0.1	39,281.2
Auto Loans	451.6	-	451.6
Personal Loan	891.6	-	891.6
Other Loans (Gold Loans, Loans against deposits & Shares etc.)	4,936.6	65.6	5,002.3
Staff Loans	583.2	-	583.2
Trade	**66,709.3**	**1,676.2**	**68,385.6**
Trade - Retail	35,190.4	398.9	35,589.3
Trade - Wholesale	31,518.9	1,277.3	32,796.2
Agriculture	24,305.6	429.8	24,735.4
Logistics	**22,967.1**	**1,173.7**	**24,140.9**
Logistics - Transport Operators(includes CV loans)	20,883.1	114.8	20,997.9
Logistics - Others	2,084.0	1,058.9	3,143.0
Construction incl. Residential Housing	**16,656.9**	**2,524.1**	**19,181.0**
Residential Constructions	9,134.6	56.4	9,191.1
Construction Contractors	2,804.1	582.2	3,386.2
Construction Others	4,718.2	1,885.5	6,603.7
Miscellaneous Services	**21,143.0**	**667.7**	**21,810.7**
of which Retail Business Loans	13,541.7	-	13,541.7
NBFC	**18,065.2**	**972.2**	**19,037.4**
NBFC - HFC	6,632.9	20.0	6,652.9
NBFC - Investment and Credit Company (AFC)	2,823.8	0.5	2,824.2
NBFC - Others	8,608.4	951.8	9,560.2
All Engineering	5,685.5	2,228.3	7,913.7
Textiles	8,294.1	129.4	8,423.5
Infrastructure (Including Energy, Telecommunications, Water & Sanitation and Social & Commercial Infra)	6,826.5	1,130.6	7,957.0

(₹ million)

Industry	Fund Based	Non Fund Based	Total
Food Processing	5,882.3	325.4	6,207.7
Basic Metal & Metal Products	3,964.6	1,314.8	5,279.4
Capital Market (including Brokers)	168.8	3,645.1	3,813.9
Real Estate Activities incl. Lease Rent Discounting	3,070.7	142.2	3,212.9
Chemical & Chemical Products	2,725.8	464.9	3,190.7
Travels & Tourism	2,615.2	122.7	2,737.9
Gems & Jewellery	2,955.4	391.8	3,347.1
IT & related	1,380.3	109.1	1,489.3
Rubber, Plastic & their Products	1,263.0	201.9	1,464.9
Paper & Paper Products	1,200.9	151.7	1,352.6
Finance (Others)	1,134.8	652.6	1,787.4
Wood & Wood Products	1,061.8	1.0	1,062.8
Vehicles, Vehicle Parts & Transport Equipments	655.2	1.2	656.4
Renting of equipments	656.4	64.3	720.7
Petroleum, Coal Products & Nuclear fuels	438.8	2.7	441.5
Cement & Cement Products	263.3	17.9	281.1
Leather & Leather Products	317.1	4.7	321.8
Beverages (Excl. Tea & Coffee) and Tobacco	272.4	-	272.4
Mining & Quarrying	191.4	13.7	205.1
Glass & Glassware	101.5	0.2	101.7
Other Manufacturing	1,318.8	69.8	1,388.5
Residual	347.0	2,003.3	2,350.3
Grand Total	**268,782.7**	**20,698.6**	**289,481.3**

5 (e) Residual contractual maturity breakdown of assets as on March 31, 2019

(₹ 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	2,446.3	-	-	-	-	-	-	-	-	-	-	**2,446.3**
Balance with RBI	477.8	281.7	264.7	372.8	565.3	438.8	941.9	1,923.2	4,949.9	411.5	98.2	**10,725.8**
Balances with Other Banks	239.0	13,940.5	500.0	-	-	-	-	1.6	80.4	0.1	-	**14,761.6**
Investments	-	999.5	163.1	1,884.4	1,503.6	2,287.8	5,345.9	8,202.3	11,447.4	14,144.7	32,462.2	**78,440.9**
Advances (Excl NPA provn)	570.3	2,894.1	2,643.4	1,453.3	5,739.3	4,121.3	8,487.3	15,956.9	93,101.7	27,178.0	73,534.4	**235,680.0**
Fixed Assets	-	-	-	-	-	-	-	-	-	-	5,259.8	**5,259.8**
Other Assets (net)	95.7	319.6	56.0	783.3	773.7	349.1	390.2	929.4	3,366.4	1,558.2	1,982.3	**10,603.9**
Total	**3,829.1**	**18,435.4**	**3,627.3**	**4,493.9**	**8,581.9**	**7,197.0**	**15,165.3**	**27,013.4**	**112,945.8**	**43,292.4**	**113,336.9**	**357,918.3**

5 (f) Advances and Provisions:

(₹ million)

Particulars	As on March 31, 2019
(a) Amount of NPAs (Gross)	**4,394.8**
i. Substandard	2,347.8
ii. Doubtful 1	1,038.7
iii. Doubtful 2	689.5
iv. Doubtful 3	316.8
v. Loss	2.0
(b) Net NPAs	**1,537.7**
(c) NPA Ratios	
i. Gross NPAs to gross advances (%)	1.84 %
ii. Net NPAs to Net Advances (%)	0.65 %
(d) Movement of NPAs(Gross)	
i. Opening balance (as on March 31, 2018)	3,690.3
ii. Additions during the year	4,204.7
iii. Reductions during the year	3,500.2
iv. Closing balance	4,394.8
(e) Movement of provisions for NPAs (excluding provision on Standard Assets)	
i. Opening balance(as on March 31, 2018)	2,216.4
ii. Provision made during the year	2,002.0
iii. Write-off / write-back of excess provisions	1,361.3
iv. Closing balance	2,857.1
(f) Amount of Non-Performing Investments	**-**
(g) Amount of provisions held for non-performing investments	**-**
(h) Movement of depreciation on investments	
i. Opening balance(as on March 31, 2018)	102.3
ii. Add: Provision made during the year	82.0
iii. Less: Write-off/ write-back of excess provision during the year (including depreciation utilised on the sale of securities)	60.8
iv. Closing balance	123.5

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:

a. Brickwork Ratings India Pvt. Limited (Brickwork)

b. CARE Ratings Limited

c. CRISIL Limited

d. ICRA Limited

e. India Ratings and Research Private Limited (India Ratings) and

f. SME Rating Agency of India Ltd (SMERA)

g. 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:

a. Fitch;

b. Moody's; and

c. 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, 2019 are as follows:

(₹ million)

Particulars	Fund based	Non fund based
Below 100% risk weight	1,97,442.4	7,439.5
100% risk weight	56,166.3	7,950.0
More than 100% risk weight	15,174.7	5,309.1
Total	**2,68,782.7**	**20,698.6**

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.

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/Brickwork A3/ SMERA 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/Brickwork A3/SMERA 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/Brickwork A3/SMERA 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, 2019
Total exposure covered by eligible financial collateral after application of applicable haircuts	19,299.8
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 2018-19, the Bank has made investments in securitized assets by way of Pass Through Certificates, aggregating to ₹ 20,165.4 million, the outstanding of this as on March 31, 2019 was ₹ 14,766.4 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, 2019.

(₹ million)

Financial Year	Original Investment	Outstanding at March 31, 2019
2016-17	5,387.0	745.0
2017-18	5,678.9	2,043.7
2018-19	20,165.4	14,766.4
Total	**31,231.3**	**17,555.0**

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, 2019
• Interest Rate Risk	679.2
• Foreign Exchange Risk (Including gold)	54.0
• Equity Risk	82.4
Capital requirement for Market Risk	**815.6**

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 un-mitigated. 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, 2019 is ₹ 1,590.8 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	(567.4)	(283.7)	283.7	567.4
USD	(20.6)	(10.3)	10.3	20.6
JPY	0.0	0.0	0.0	0.0
GBP	0.6	0.3	(0.3)	(0.6)
EUR	(0.5)	(0.3)	0.3	0.5
Total	(588.0)	(294.0)	294.0	588.0

ii) Impact on economic value of equity:

(₹ million

	Changes in interest rates (in bps)			
Currency	**(100)**	**(50)**	**50**	**100**
INR	1,414.0	707.0	(707.0)	(1,414.0)

* 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.

Credit limits

The credit limit for counterparty bank is fixed based on their financial performance as per the latest audited financials. Various financial parameters such as NPA ratios, liquidity ratios, etc are taken into consideration while assigning the limit. Credit exposure is monitored daily to ensure it does not exceed the approved credit limit. These credit limits are set on the notional exposure basis.

Credit exposures on forward contracts

The Bank enters into the forward contracts in the normal course of business for positioning and arbitrage purposes, as well as for our own risk management needs, including mitigation of interest rate and foreign currency risk. Derivative exposures are calculated according to the current exposures method.

Credit exposure as on March 31, 2019

(₹ million)

	Notional Amount	**Gross positive fair value of contracts**	**Potential future exposure**	**Total credit exposure**
Forward contracts	5,940.5	58.4	131.3	189.7

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)	16,694.12	A=a1+a2
2	Retained earnings	5,465.61	B=b1-b2
3	Accumulated other comprehensive income (and other reserves)	6,882.13	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	29,041.86	
	Common Equity Tier 1 capital: regulatory adjustments		
7	Prudential valuation adjustments	-	
8	Goodwill (net of related tax liability)	-	
9	Intangibles (net of related tax liability)	-	
10	Deferred tax assets	-	
11	Cash-flow hedge reserve	-	
12	Shortfall of provisions to expected losses	-	
13	Securitisation gain on sale	-	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	
15	Defined-benefit pension fund net assets	-	
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	-	
17	Reciprocal cross-holdings in common equity	-	
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	-	
20	Mortgage servicing rights (amount above 10% threshold)	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	
22	Amount exceeding the 15% threshold	-	
23	of which: significant investments in the common stock of financial entities	-	
24	of which: mortgage servicing rights	-	
25	of which: deferred tax assets arising from temporary differences	-	
26	National specific regulatory adjustments (26a+26b+26c+26d)	-	
26a	of which: Investments in the equity capital of unconsolidated insurance subsidiaries	-	
26b	of which: Investments in the equity capital of unconsolidated non-financial subsidiaries	-	
26c	of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank	-	
26d	of which: Unamortised pension funds expenditures	-	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	
28	Total regulatory adjustments to Common equity Tier 1	-	
29	Common Equity Tier 1 capital (CET1)	29,041.86	
	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)	29,041.86	
	Tier 2 capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	6,866.00	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	1,368.01	E=e1+e2+e3
51	Tier 2 capital before regulatory adjustments	8,234.01	
	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 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)	8,234.01	
59	Total capital (TC = T1 + T2) (45 + 58)	37,275.87	
60	Total risk weighted assets (60a + 60b + 60c)	221,746.60	
60a	of which: total credit risk weighted assets	191,665.60	
60b	of which: total market risk weighted assets	10,195.80	
60c	of which: total operational risk weighted assets	19,885.20	
	Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	13.10%	
62	Tier 1 (as a percentage of risk weighted assets)	13.10%	
63	Total capital (as a percentage of risk weighted assets)	16.81%	
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)	7.38%	
65	of which: capital conservation buffer requirement	1.88%	
66	of which: bank specific countercyclical buffer requirement	-	
67	of which: G-SIB buffer requirement	-	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	5.72%	
	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)	1,368.01	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	2,395.82	
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	-	
	Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)		
80	Current cap on CET1 instruments subject to phase out arrangements	-	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
82	Current cap on AT1 instruments subject to phase out arrangements	-	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	
84	Current cap on T2 instruments subject to phase out arrangements	-	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	

Notes to the Template

(₹ in million)

Row No. of the template	Particular	
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	1,368.01
	Eligible Revaluation Reserves included in Tier 2 capital	-
	Total of row 50	**1,368.01**

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

(₹ million)

		"Balance sheet as in financial statements As on Mar. 31, 2019"	"Balance sheet under regulatory scope of consolidation As on Mar. 31, 2019"
A	**Capital & Liabilities**		
i	Paid-up Capital	**3,095.47**	
	Reserves & Surplus	28,048.99	
	Minority Interest	-	
	Employee Stock Options Outstanding	11.56	
	Total Capital	31,156.02	
ii	Deposits	**284,351.14**	
	of which: Deposits from banks	43,890.53	
	of which: Customer deposits	240,460.61	
	of which: Other deposits (pl. specify)	-	
iii	Borrowings	**27,232.04**	
	of which: From RBI	-	
	of which: From banks	200.00	
	of which: From other institutions & agencies	20,166.04	
	of which: Others (pl. specify) Borrowings from outside India	-	
	of which: Capital instruments	6,866.00	
iv	Other liabilities & provisions	**15,179.13**	
	Total	**357,918.33**	
B	**Assets**		
i	Cash and balances with Reserve Bank of India	**13,172.17**	
	Balance with banks and money at call and short notice	14,761.58	
ii	Investments:	**78,440.91**	
	of which: Government securities	60,007.12	
	of which: Other approved securities	-	
	of which: Shares	182.54	
	of which: Debentures & Bonds	347.69	
	of which: Subsidiaries / Joint Ventures / Associates	-	
	of which: Others (Commercial Papers, Mutual Funds, Certificate of Deposits, PTCs etc.)	17,903.56	
iii	Loans and advances	**235,679.97**	
	of which: Loans and advances to banks	4.96	
	of which: Loans and advances to customers	235,675.01	
iv	Fixed assets	**5,259.84**	
v	Other assets	**10,603.86**	
	of which: Goodwill and intangible assets	-	
	of which: Deferred tax assets (Net)	886.42	
vi	Goodwill on consolidation	**-**	
vii	Debit balance in Profit & Loss account	**-**	
	Total Assets	**357,918.33**	

Step 2

(₹ million)

		"Balance sheet as in financial statements As on Mar. 31, 2019"	"Balance sheet under regulatory scope of consolidation As on Mar. 31, 2019"	Ref No.
A	**Capital & Liabilities**			
i	**Paid-up Capital**	**3,095.47**		**a1**
	Reserves & Surplus	**28,048.99**		
	of which:			
	Securities Premium	13,598.65		a2
	Balance in Profit & Loss account	5,838.79		b1
	of which:			
	Unallocated Surplus	2,585.13		
	Current period profits not reckoned for Capital Adequacy	373.18		b2
	Statutory Reserve	4,638.31		c1
	Capital Reserve	489.96		c2
	Special Reserve	642.60		c3
	Revaluation Reserve	2,443.79		c4
	of which			
	Not reckoned for Capital Adequacy purposes	1,344.09		c5
	Investment Reserve	10.44		e1
	Investment Fluctuation Reserve	386.45		e2
	Employee Stock Options Outstanding	11.56		c6
	Minority Interest	-		
	Total Capital	31,156.02		
ii	**Deposits**	**284,351.14**		
	of which: Deposits from banks	43,890.53		
	of which: Customer deposits	240,460.61		
	of which: Other deposits (pl. specify)	-		
iii	**Borrowings**	**27,232.04**		
	of which: From RBI	-		
	of which: From banks	200.00		
	of which: From other institutions & agencies	20,166.04		
	of which: Others (pl. specify) Borrowings from outside India	-		
	of which: Capital instruments	6,866.00		d
iv	**Other liabilities & provisions**	**15,179.13**		
	of which: Provision for Standard Assets	971.12		e3
	of which: DTLs related to goodwill	-		
	of which: DTLs related to intangible assets	-		
	Total	**357,918.33**		
B	**Assets**			
i	**Cash and balances with Reserve Bank of India**	**13,172.17**		
	Balance with banks and money at call and short notice	14,761.58		
ii	**Investments**	**78,440.91**		
	of which: Government securities	60,007.12		
	of which: Other approved securities	-		
	of which: Shares	182.54		
	of which: Debentures & Bonds	347.69		
	of which: Subsidiaries / Joint Ventures / Associates	-		
	of which: Others (Commercial Papers, Mutual Funds, Certificate of Deposits, PTC etc.)	17,903.56		
iii	**Loans and advances**	**235,679.97**		
	of which: Loans and advances to banks	4.96		
	of which: Loans and advances to customers	235,675.01		
iv	**Fixed assets**	**5,259.84**		
v	**Other assets**	**10,603.86**		
	of which: Goodwill and intangible assets Out of which:	-		
	Goodwill	-		
	Other intangibles (excluding MSRs)	-		
	Deferred tax assets (Net)	886.42		
vi	**Goodwill on consolidation**	**-**		
vii	**Debit balance in Profit & Loss account**	**-**		
	Total Assets	**357,918.33**		

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	16,694.12	A=a1+a2
2	Retained earnings	5,465.61	B=b1-b2
3	Accumulated other comprehensive income (and other reserves)	6,882.13	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**	**29,041.86**	
7	Prudential valuation adjustments	-	
8	Goodwill (net of related tax liability)	-	

DF-13: Main Features of Regulatory Capital Instruments

Sr. No.	Particulars	Equity Shares	Sub-Ordinated Debt	Sub-Ordinated Debt	Sub-Ordinated Debt	Sub-Ordinated Debt
1	Issuer	DCB BANK LIMITED	DCB BANK LIMITED	DCB BANK LIMITED	DCB BANK LIMITED	DCB BANK LIMITED
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE503A01015	INE503A08010	INE503A08028	INE503A08036	INE503A08044
3	Governing law(s) of the instrument	Indian Law	Indian Law	Indian Law	Indian Law	Indian Law
	Regulatory treatment					
4	Transitional Basel III rules	Common Equity Tier 1	Tier 2	Tier 2	Tier 2	Tier 2
5	Post-transitional Basel III rules	Common Equity Tier 1	Tier 2	Tier 2	Tier 2	Tier 2
6	Eligible at solo/group/ group & solo	Solo	Solo	Solo	Solo	Solo
7	Instrument type	Common Shares	Tier 2 Debt Instruments	Tier 2 Debt Instruments	Tier 2 Debt Instruments	Tier 2 Debt Instruments
8	Amount recognised in regulatory capital (₹ in million, as of most recent reporting date)	₹ 3,095 Million	₹ 866 Million	₹ 1,500 Million	₹ 3,000 Million	₹ 1,500 Million
9	Par value of instrument	₹ 10 per share	₹ 866 Million and each debenture of ₹ 1 Million	₹ 1,500 Million and each debenture of ₹ 0.1 Million	₹ 3,000 Million and each debenture of ₹ 0.1 Million	₹ 1,500 Million and each debenture of ₹ 0.1 Million
10	Accounting classification	Shareholder's Equity	Liability	Liability	Liability	Liability
11	Original date of issuance	Various*	31.03.2016	18.11.2016	17.11.2017	12.01.2018
12	Perpetual or dated	Perpetual	Dated	Dated	Dated	Dated
13	Original maturity date	No Maturity	30.04.2026	18.11.2026	17.11.2027	12.01.2028
14	Issuer call subject to prior supervisory approval	No	Yes	Yes	Yes	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 01.04.2021; Call option can be exercised only with the prior approval of RBI. These Bonds are redeemable at Par.	Call option exercisable only if the instrument has run for five years; First call date is 19.11.2021; Call option can be exercised only with the prior approval of RBI. These Bonds are redeemable at Par.	Call option exercisable only if the instrument has run for five years; First call date is 18.11.2022; Call option can be exercised only with the prior approval of RBI. These Bonds are redeemable at Par.	Call option exercisable only if the instrument has run for five years; First call date is 13.01.2023; 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 date after 01.04.2021, with the prior approval of RBI.	Any date after 19.11.2021, with the prior approval of RBI.	Any date after 18.11.2022, with the prior approval of RBI.	Any date after 13.01.2023, with the prior approval of RBI.
	Coupons / dividends					
17	Fixed or floating dividend/coupon	NA	Fixed	Fixed	Fixed	Fixed
18	Coupon rate and any related index	NA	10.25% per annum	9.85% per annum	9.85% per annum	9.85% per annum
19	Existence of a dividend stopper	NA	No	No	No	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Partially discretionary	Partially discretionary	Partially discretionary	Partially discretionary
21	Existence of step up or other incentive to redeem	No	No	No	No	No
22	Noncumulative or cumulative	Non-cumulative	Cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	NA	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	NA	NA	NA	NA	NA
25	If convertible, fully or partially	NA	NA	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA	NA	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA	NA	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA	NA	NA	NA
30	Write-down feature	No	Yes	Yes	Yes	Yes
31	If write-down, write-down trigger(s)	NA	PONV Trigger	PONV Trigger	PONV Trigger	PONV Trigger
32	If write-down, full or partial	NA	Fully or Partially	Fully or Partially	Fully or Partially	Fully or Partially
33	If write-down, permanent or temporary	NA	Permanent	Permanent	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism	NA	NA	NA	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"	"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"	"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"	"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	No	No	No
37	If yes, specify non-compliant features	NA	NA	NA	NA	NA

* Date of allotment of equity shares are aviable on the Bank's website at following link: http://www.dcbbank.com/pdfs/DCB_Capital_Structure_of_the_Bank_as_on_31st_March_2019.pdf

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	348,418.33
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	189.76
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	9,500.00
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	21,803.36
7	Other adjustments	
8	**Leverage ratio exposure**	**379,911.45**

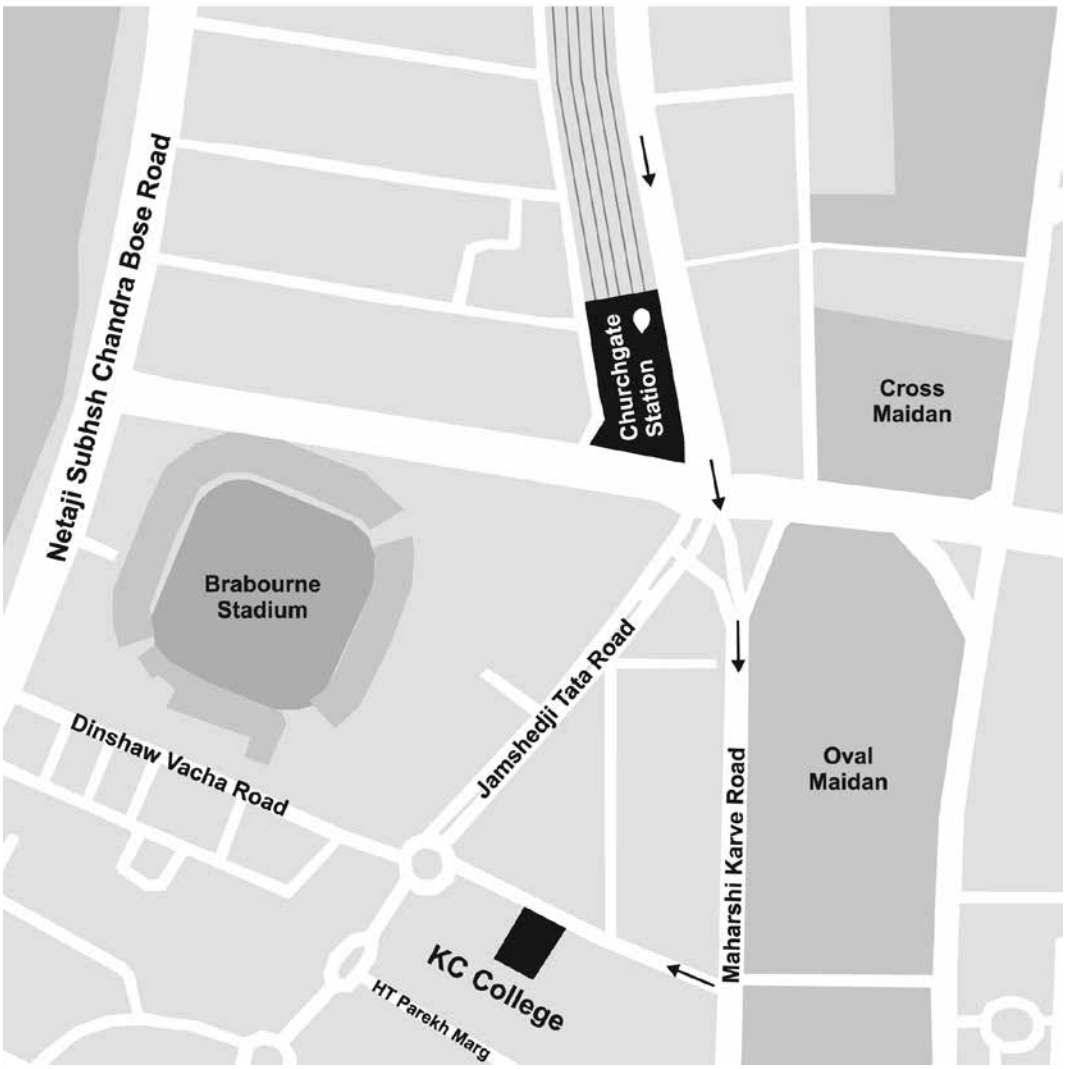
DF-18 Leverage ratio

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)	348,418.33
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)	348,418.33
	Derivative exposures	
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	58.41
5	Add-on amounts for PFE associated with all derivatives transactions	131.35
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)	189.76
	Securities financing transaction exposures	
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	9,500.00
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-
14	CCR exposure for SFT assets	-
15	Agent transaction exposures	-
16	Total securities financing transaction exposures (sum of lines 12 to 15)	9,500.00
	Other off-balance sheet exposures	
17	Off-balance sheet exposure at gross notional amount	52,851.10
18	(Adjustments for conversion to credit equivalent amounts)	31,047.74
19	Off-balance sheet items (sum of lines 17 and 18)	21,803.36
	Capital and total exposures	
20	**Tier 1 capital**	29,041.86
21	**Total exposures (sum of lines 3, 11, 16 and 19)**	379,911.45
	Leverage ratio	
22	**Basel III leverage ratio (per cent)**	7.64%

Route Map to Annual General Meeting Venue

Location: Rama and Sundri Watumull Auditorium at Kishinchand Chellaram College (K.C. College), 124, Dinshaw Wacha Road, Churchgate, Mumbai - 400020

Landmark: Oval Maidan



PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L99999MH1995PLC089008
Name of the Company : DCB Bank Limited
Registered Office : 601 & 602, Peninsula Business Park, Tower A, 6th floor, Senapati Bapat Marg, Lower Parel, Mumbai– 400 013

Name of the Member(s):		
Registered Address:		
E-mail ID:		
Folio No./Client ID:		DP ID:

I/We being the member(s), holding _____ shares of the above named company, hereby appoint

1. Name: _____
   Address: _____
   _____
   E-mail ID: _____
   Signature: _____ , or failing him/her
2. Name: _____
   Address: _____
   _____
   E-mail ID: _____
   Signature: _____ , or failing him/her
3. Name: _____
   Address: _____
   _____
   E-mail ID: _____
   Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the twenty fourth Annual General Meeting of the company, to be held on Saturday, June 1, 2019, at 2.30 p.m. at Rama & Sundri Watumull Auditorium, K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai – 400 020 and any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.:

1 Adoption of the audited financial statements for the financial year ended March 31, 2019 together with the Reports of the Auditor's and Directors thereon.
2 Declaration of dividend on Equity Shares
3 Re-appointment of Mr. Amin Manekia, who retires by rotation and being eligible, offers himself for re-appointment
4 Ratification of the appointment of Statutory Auditors
5 Re-appointment of Mr. Altaf Jiwani as Independent Director
6 Re-appointment of Mr. Imran Contractor as Independent Director
7 Re-appointment of Mr. C. Narasimhan as Independent Director
8 Re-appointment of Mr. S. Sridhar as Independent Director
9 Increase in Borrowing Powers
10 Raising of Funds by issue of bonds/ debentures/ securities on Private Placement basis
11 Amendments in the Object Clause of the Memorandum of Association of the Bank

Affix Revenue Stamp

Signed this _____ day of _____ 2019.

Signature of shareholder _____ Signature of Proxy holder(s) _____

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting

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DCB BANK

DCB Suraksha Fixed Deposit

Isse Mujhe Kya Milega?

Earn **9.25%** p.a*
annualised yield on
a 36 month deposit

Free life insurance
cover up to ₹ **50 lakh**
without paying premium



A one of its kind deposit with double benefits.

Now earn attractive returns on your fixed deposit and also get a free life insurance cover of the same value as the initial fixed deposit amount.

No medical tests are required for the insurance cover.

DCB 24-Hour Customer Care

Call Toll Free: 1800 209 5363 ■ 1800 123 5363

Email: customercare@dcbbank.com

Web: www.dcbbank.com

Terms and conditions apply. *Pre-tax annualised simple yield is calculated on a quarterly compounding frequency for a 36 month deposit at a rate of 8.25% p.a. where interest and principal are paid at maturity. This interest rate is w.e.f 12th April, 2019 and is subject to change without prior notice.

DCB Bank Limited

DCB BANK

DCB Remit

Isse Mujhe Kya Milega?

The quickest way to send upto USD 25,000 abroad online

www.dcbremit.com



A one-stop-solution for quick and easy funds transfer abroad.

You simply need to register on www.dcbremit.com to send money into any overseas bank account.

Add your beneficiary and follow the instructions to transfer funds in Indian Rupees. The funds will then be converted to the foreign currency by us, and credited to the beneficiary's overseas account.

DCB 24-Hour Customer Care
Call Toll Free: 1800 209 5363 ■ 1800 123 5363
Email: customercare@dcbbank.com
Web: www.dcbbank.com

Terms and conditions apply.

DCB Bank Limited
Printing and Stationery Department, 2nd Floor, A-1 / E, Rashmi Park, Sheetal Nagar, Near Telephone Exchange, Mira Road (E), Thane - 401107.

ure to the Directors' Report

under Section 197(12) of the Companies Act 2013, read with the companies (Appointment and Remuneration of Managerial Personnel) rule, 2014 and as amended and forming part of the Directors' Report for the year ended March 31, 2019.

throughout the year and were in receipt of remuneration at the rate of not less than Rs. 1,02,00,000/- per annum.

Emp No	Name of the employee	Date of Joining	Designation	Qualification	Age	Exeperience Years	Remuneration Rs.	Last Employment
2119	VENKATTESH R	15-Dec-2005	HEAD OPERATIONS TECHNOLOGY AND HR	B. Com., PGDPM (MBA)	51	28	2,00,48,297	STANDARD CHARTERED BANK LTD.
4296	PRAVEEN ACHUTHAN KUTTY	30-Jul-2007	HEAD RETAIL AND SME BANKING	B.Com., MBA	52	28	2,32,12,987	CITI BANK
5857	ABHIJIT BOSE	16-Jun-2008	CHIEF CREDIT OFFICER	B.Com, CA (Inter)	55	27	1,19,18,855	STANDARD CHARTERED BANK LTD.
6095	BHARAT LAXMIDAS SAMPAT	11-Sep-2008	CHIEF FINANCIAL OFFICER	B.Com., LLB, ACA, AICWA, ACS	58	33	1,74,37,174	ABN AMRO BANK
7771	SUKESH BHOWAL	14-Aug-2009	HEAD MORTGAGES & GOLD LOANS	B.Tech (Mechanical Engineering), PGD (Management)	47	26	1,05,76,465	HDB Financial Service LTD
7712	MURALI M NATRAJAN	29-Apr-2009	MANAGING DIRECTOR & CEO	B. Com., CA	57	34	4,93,57,143	STANDARD CHARTERED BANK LTD.
8914	JAYARAMAN VISHWANATH	07-Jul-2010	HEAD CORPORATE BANKING	B.E., PGDM (Finance & Marketing)	51	26	1,41,67,482	FULLERTON INDIA CREDIT CO. LTD
14970	RAJESH CHANDRA VERMA	27-May-2009	HEAD TREASURY CORRESPONDENT BANKING AND TRADE FINANCE	M.Sc. (Chemistry), ACIB, CAIIB, CISA	64	39	1,45,60,428	STATE BANK OF INDIA
6170	AJAY MATHUR	29-Sep-2008	HEAD COLLECTIONS & COMMERCIAL VEHICLES	B.A	49	27	1,00,71,280	CITI BANK
8131	SRIDHAR SESHADRI	12-Nov-2009	CHIEF RISK OFFICER	M.Com, CAIIB	57	37	98,80,988	ICICI BANK LTD.

for part of the year and were in receipt of remuneration at the rate of not less than Rs. 8,50,000/- per Month.

uneration shown above includes salary ,Allowance, Medical, Leave Travel Assistance, Arrears of Salary, Bonus, Ex-Gratia, Bank's contribution towards Provident Fund, NPS and Monetary value of perquisites as per income tax rule excluding perquisites on ESOP.

re of employment is contractual.

of the above employee is related to the any director of the bank.

On behalf of the Board of Directors

Nasser Munjee

Chairman