DCB BANK

Ref. No.CO:CS:RC:2022-23:046 May 30, 2022

BSE Limited
Listing Department,
Phiroze Jeejeebhoy Towers,
1st floor Dalal Street.
Mumbai 400 001

Scrip Code: 532772

National Stock Exchange of India Limited
Listing Department,
Exchange Plaza, 5th floor, Plot No. C/1,
G Block Bandra – Kurla Complex,
Bandra (East), Mumbai 400 051

NSE Symbol: DCBBANK

Dear Sirs/Madam,

Sub: 27th Annual General Meeting - Submission of Annual Report 2021-22 and Intimation of the Record Date (Cut-off Date)

This is to inform that the Twenty-Sixth Annual General Meeting ("AGM") of the Bank will be held on Wednesday**, June 22, 2022 at 2.30 p.m.** (IST) via Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM").

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), we are submitting herewith copy of the Annual Report of the Bank including Notice of the AGM for the financial year ended March 31, 2022 which is being sent to all the Members of the Bank whose E-mail Ids are registered with the Bank / Depositories, through electronic mode, as per the relevant Circulars by MCA and SEBI.

Pursuant to Regulation 42 of the SEBI Listing Regulations, the Bank has fixed June 15, 2022 as the Record Date for reckoning the voting entitlement of the Members as well as for determining eligibility of members entitled to receive the dividend on equity shares for FY 2021-22, subject to approval of Shareholders at the ensuing AGM scheduled on June 22, 2022.

Please take on record the above in compliance with Regulation 34, 42 and other applicable Regulations, if any, of the SEBI Listing Regulations.

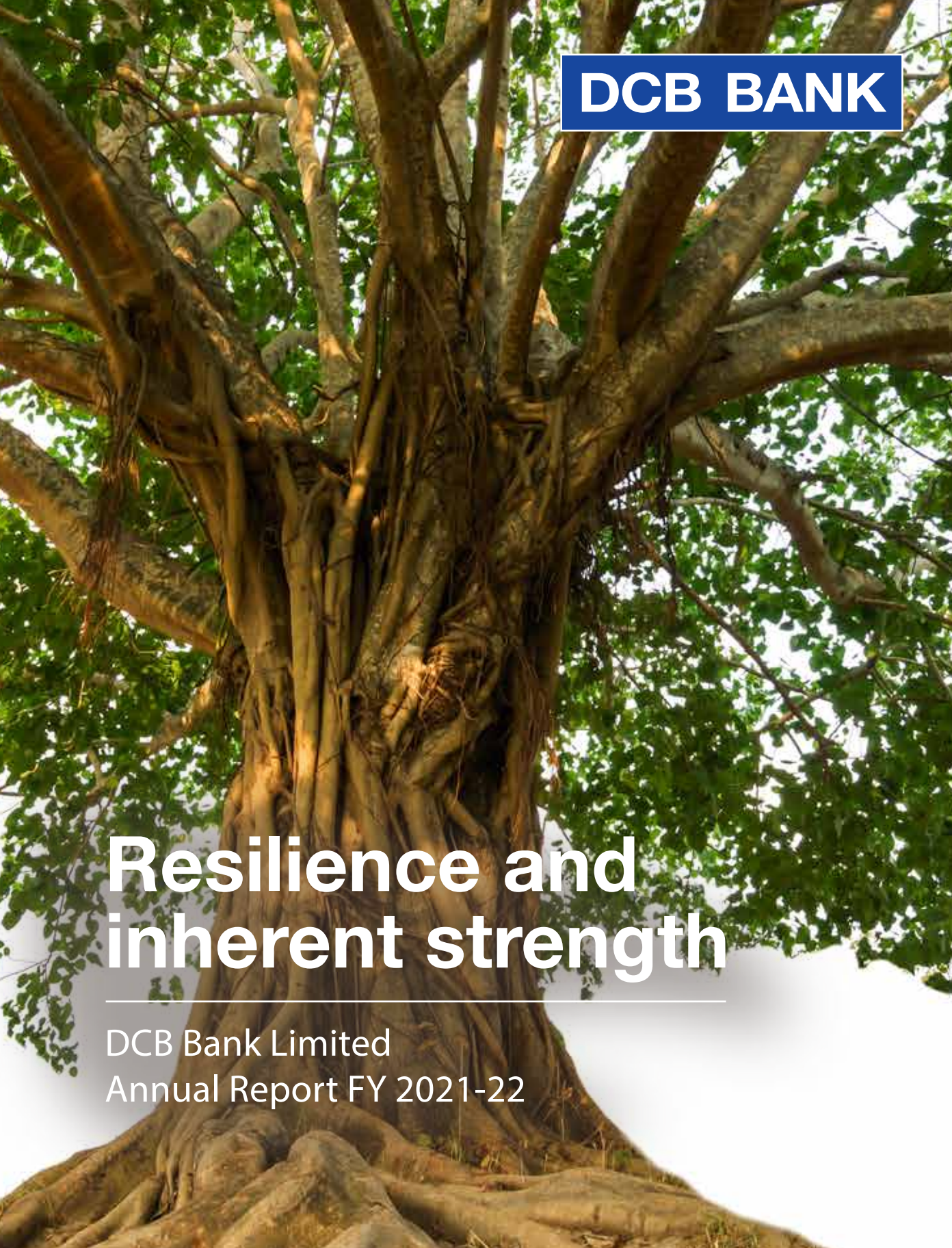
Thanking you,

Yours faithfully,
For DCB Bank Limited

RUBI CHATURVEDI
Digitally signed by RUBI CHATURVEDI
Date: 2022.05.30 19:15:07 +05'30'

Rubi Chaturvedi
Company Secretary &
Compliance Officer

Encl:
1) Notice of the 27th Annual General Meeting scheduled on June 22, 2022
2) Copy of the Annual Report FY 2021-22



DCB BANK

Resilience and inherent strength

DCB Bank Limited
Annual Report FY 2021-22

CONTENTS

Company Information 01

Chairperson's Statement 02

Corporate Social Responsibility Initiatives 04

Notice to Members 08

Directors' Report 26

Corporate Governance 59

Auditors' Report 90

Balance Sheet 98

Profit & Loss Account 99

Cash Flow Statement 100

Schedules 102

Basel III 165

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,
Chairperson
(till August 18, 2021)

Ms. Rupa Devi Singh,
Chairperson
(w.e.f. January 14, 2022 subject to approval of RBI and thereafter the Shareholders)

Mr. Murali M. Natrajan,
MD & CEO

Mr. Ashok Barat

Mr. Amyn Jassani

Mr. Iqbal Khan

Mr. Rafiq Somani

Mr. Shabbir Merchant

Mr. Shaffiq Dharamshi

Mr. Somasundaram PR

Mr. Tarun Balram
(w.e.f. January 24, 2022)

Mr. Thiyagarajan Kumar
(w.e.f. February 10, 2022)

Senior Management Team

Mr. Venkattesh R.
President and Head – IT, HR, Operations & Chief Information Officer (CIO)

Mr. Bharat Sampat
President and Chief Financial Officer

Mr. Praveen Kutty
President and Head – Retail Banking

Mr. Sridhar Seshadri
President and Chief Risk Officer

Mr. Abhijit Bose
President and Chief Credit Officer

Mr. J.K. Vishwanath
President and Head–Corporate and SME Banking

Company Secretary

Ms. Rubi Chaturvedi

Functional Management Heads

Mr. Ajay Mathur
Head – Collections & Commercial Vehicles

Mr. Ajit Singh
Head Treasury and Financial Institutions Group

Mr. Bappa Roy
Product Head – Retail Liability and TPD

Mr. Damodar Agarwal
Head – Strategic Initiatives and Alternate Channels

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

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

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

Mr. Manoj Joshi
Chief Compliance Officer & Chief of Internal Vigilance

Ms. Meghana Rao
Head – Branch Operations

Mr. Murali Mohan Rao Manduva
Chief Technology Officer

Mr. Narendranath Mishra
Head – Agri & Inclusive Banking

Mr. N. C. Kaushal
Business Head – Digital Banking

Mr. Pankaj Sood
Head – Branch Banking-Retail

Mr. Ravi Kumar Vadlamani
Head-Operations & Key Projects

Mr. Satish Gundewar
Deputy Chief Financial Officer

Mr. Sukesh Bhowal
Head – Mortgages & Gold Loans

Mr. Sumit Manchanda
Head – Credit

Ms. T.P. Anuradha
Chief Internal Auditor

Joint Statutory auditors:

S. R. Batliboi & Associates, LLP,
Chartered Accountants
(Registration No. 101049W / E300004)

M/s Sundaram & Srinivasan,
Chartered Accountants
(ICAI Registration No. 004207S)

Registered office

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

CHAIRPERSON'S STATEMENT



As FY 2021 was coming to end, the country was once again hit by an unprecedented and severe Covid-19 second wave. The infrastructure facilities of the country were stretched beyond limits. Despite tremendous efforts taken by both the Central and State Governments, unfortunately, a lot of people got infected, and many lost their lives. To curtail the spread of infections, lockdowns and disruptions were inevitable which resulted in the economy and livelihood getting impacted especially for the shops, small businesses and self-employed. The Central Government and the Reserve Bank of India took timely steps to help the borrowers and support the economy. It was indeed a very difficult situation for the country and banks.

As you know, your Bank has been consistently following the strategy of targeting self-employed / small business owners. Pandemic disruptions and lockdowns affected the self-employed segment much more than the salaried segment. Consequently, the NPAs and restructured loan book increased sharply for the Bank in Q1 FY 2022. Also, new loan demand was limited due to lack of opportunities in the self-employed category. This resulted in stagnation of the loan book for the first few months of FY 2022. During this difficult period, the Bank's focus was on helping customers within the regulatory framework and managing collections and recoveries. Towards the end of Q2 FY 2022, the situation started to improve, and the Bank started re-building its Balance Sheet while continuing to intensely manage NPAs.

There are clear signs that the economy is recovering from the impact of pandemic and our country's self-employed segment is once again demonstrating resilience.

Looking at the collections, recoveries, and new business in the last few months of FY 2022, there are clear signs that the economy is recovering from the impact of pandemic and our country's self-employed segment is once again demonstrating resilience.

I am very happy to share with you that in comparison to the previous year, although effectively we had business opportunities only for three quarters in FY 2022, the Bank achieved Advances growth of 13%, Deposits growth of 17%, CASA ratio of 26.8% and Balance Sheet growth of 13%. Under these unusual and

unanticipated external conditions, the Bank's NPAs and restructured loan book remained within acceptable limits. The Bank has made conservative loan loss provisions and the Provision coverage stood at 67.84% as on March 31, 2022.

Since 2009, the Bank has been targeting the self-employed segment. The Bank's portfolio is largely small ticket secured lending. Although NPAs and restructure increased due to Covid-19, the Bank was able to absorb additional credit loss provisions because of strong Operating Profit.

The Bank's capital position remained strong at Tier I of 15.84% and overall, 18.92%.

As we emerge from effectively dealing with the massive headwinds of Covid-19, the Bank is in a good position to meet its growth ambition in the coming years. I have been part of the Bank's Board since 2015 and I can say that building an institution requires sensible leadership, culture, dedicated team, and strong governance. The process of institution building is gradual, painstaking, demands tremendous energy and patience, take appropriate measured risks within the risk appetite, customer orientation and agility to deal with a dynamic / challenging environment. We are confident we have the ingredients for continuing to build a strong institution.

At the time of writing this, I am delighted to share with you that recently I had the privilege of inaugurating DCB Bank's 400th branch. The milestone branch is located at the bustling historic Azadpur Mandi at Delhi/NCR. This location has a huge potential for the Bank's self-employed / small businesses target market. Over the next few years, we expect the Bank to continue to build its branch network across the chosen geographies.

India has a large resilient diversified economy. It has withstood the onslaught of Covid-19 and I am confident that despite recent geo-political disturbances, Indian economy will perform well in the coming years giving opportunities for our Bank to continuously increase its customer base and build a robust business.

I am delighted to be given charge as Chairperson of the Bank by the Board of Directors. I am excited to be part of this journey. I am looking forward to working with the Board and the Management Team to guide the Bank in the coming months.

Rupa Devi Singh

Chairperson (subject to approval of Reserve Bank of India and the Shareholders)

May 07, 2022

Corporate Social Responsibility Initiatives



Citizen volunteers participating in tree plantation to create mini urban forest, Coimbatore, Tamil Nadu



Urban micro forest for Mumbai wins a special commendation at the CSR Journal Excellence Awards. Miyawaki plantation was recognised for 10,000 saplings that are home for biodiversity, Maharashtra



Developing nurseries by Irula community for reclamation of waste & degraded land into forest, Viluppuram, Tamil Nadu



Ecosystem restoration through Miyawaki urban forest plantation, Ghazipur, Delhi



India's first nature trail mobile app for information, communication & education on biodiversity, Karnala Bird Sanctuary, Maharashtra



Jal Sanrakshan II, aerial view of water harvesting structure filled with water to support sustainable farming, Aurangabad, Maharashtra



Miyawaki Urban Forest, a home for birds, butterflies and insects, incresing the soil fertility and ground water table at INS Hamla, Mumbai, Maharashtra



Jal Sanrakshan, recharge shaft for groundwater development for sustainable farming at Nidhona village, Aurangabad, Maharashtra



Jal Sanrakshan, village development committee meeting for water usage and farming techniques, Aurangabad, Maharashtra





Development of tree sapling nurseries by the rural community to offset land degradation, improve ground water table & increase carbon sequestration potential, East Singhbhum, Jharkhand



Tree plantation for sustainable livelihood, generating income for marginalized families & protecting the land from natural calamities like cyclones, South 24 Parganas, West Bengal





Tree plantation & biodiversity by community volunteers at Taloja watershed, Kharghar, Maharashtra



Waste management through bio-digesters. Using cattle waste to provide biogas to rural homes. Hence reducing smoke pollution, methane & dependency on firewood, Adilabad,Telangana



Waste management, bio-digesters also produce bla fertilizer for farmers. Sustainable farming reduces both fertilizers & emission of greenhouse gases, Adilabad, T



Water conservation through rainwater recharge wells, Bengaluru, Karnataka



Tree plantation to control soil erosion, enhance urban biodiversity & absorbs rainwater, Kolkata, West Bengal



Young ambassadors of hope, learning and helping in reviving nature by taking part in tree plantation competition, South 24 Parganas, West Bengal



Waterless Urinals that helps in saving the fresh water and which helps in controlling the odor in the restroom, Vishakapatanam, Andhra Pradesh





ck gold...organic
, use of synthetic
elangana



Urban plantation of indigenous trees with citizen volunteers, Chennai





Trees for sustainable livelihood, to generate income & decrease the dependency of the rural community on forest resources, thus reducing man animal conflict, East Singhbhum, Jharkhand



Water harvesting structures for livelihood improvement by double cropping & cash crops, Ghodabara, Odisha



Beekeeping training program for women self help group for sustainable livelihood, Cuttack, Odisha



Review of plantation done for restoration of forest lanscape through Assisted Natural Regeneration, Sanjay Gandhi National Park, Mumbai, Maharashtra



Habitat restoration & tree plantation by DCB Social volunteers, Ambivali Biodiversity Park, Maharashtra

NOTICE TO MEMBERS

NOTICE is hereby given that the Twenty Seventh Annual General Meeting ("the AGM") of the Members of DCB BANK LIMITED ("the Bank") will be held on Wednesday, June 22, 2022 at 2.30 p.m. (IST) via Video Conferencing (VC) or Other Audio Visual Means (OAVM) to transact the following:

Ordinary Business:

1. To receive, consider and adopt the audited Financial Statements of the Bank for the Financial Year ended March 31, 2022 together with the Reports of the Auditors and the Board of Directors thereon.

2. To declare dividend of ₹1.00 per Equity Share of ₹10/- each, for the Financial Year ended March 31, 2022.

3. To appoint a Director in place of Mr. Iqbal Khan (DIN-07870063), who retires by rotation and being eligible, offers himself for re-appointment.

4. To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**

   "RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014 and other applicable rules, if any and the 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, guidelines and circulars issued by the Reserve Bank of India ("RBI"), from time to time and in terms of their confirmation with regard to their eligibility to be appointed as Statutory Auditors pursuant to Section 141 of the Companies Act, 2013 and applicable rules and subject to approval of RBI, Members of the Bank do hereby appoint M/s S R Batliboi & Associates LLP, Chartered Accountants (Registration No.101049W/E300004) together with M/s Sundaram & Srinivasan, Chartered Accountants, (ICAI Registration No. 004207S) for a period of one (1) years as Joint Statutory Central Auditors of the Bank from the conclusion of 27th AGM till the conclusion of 28th AGM, at overall audit fees of ₹ 1.45 Crore (Rupees One Crore Forty Five Lakh Only) plus out of pocket expenses for FY 2022-23, to be allocated by the Bank between M/s S R Batliboi & Associates LLP Chartered Accountants and M/s Sundaram & Srinivasan, Chartered Accountants as may be mutually agreed between the Bank and the said Joint Statutory Auditors, depending upon their respective scope of work, and additionally out of pocket expenses, outlays and taxes as applicable including certifications, reporting on internal financial controls, of the Bank's accounts at its head office, branches and other offices, for such remuneration and expenses thereafter as may be mutually agreed between the Bank and the said Statutory Auditors and as may be further approved by the Board from time to time, with power to the Board, including relevant Committee(s) thereof, to alter and vary the terms and conditions of appointment, etc., including by reason of necessity on account of conditions as may be stipulated by RBI and / or any other authority, in such manner and to such extent as may be mutually agreed with the Statutory Auditors."

Special Business:

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

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

   "RESOLVED THAT pursuant to Section 42 and other applicable provisions, if any, of the Companies Act, 2013, as amended, and the rules made there under, Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021. 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 non-convertible debentures and 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 officers of the Bank to act on their behalf as they may deem fit and to do all such other acts and things and to execute all such documents as may be necessary for giving effect to this Resolution".

6. **Issue of equity shares / other securities convertible into equity shares ("Securities") through qualified institutions placement**

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

"RESOLVED THAT pursuant to sections 42 and 62(1)(c) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, including any statutory modification or re-enactment thereof for the time being in force ("the Act"), the applicable provisions of the Foreign Exchange Management Act, 1999 ("FEMA"), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulation"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") read with the Listing Agreement entered into by the Bank with the stock exchanges ("Listing Agreement"), the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017, as amended from time to time and in accordance with applicable rules, regulations, guidelines, circulars and clarifications issued by Government of India ("GOI"), Reserve Bank of India ("RBI"), Securities and Exchange Board of India ("SEBI") and/ or any other competent authorities and subject to (a) any other applicable laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force), (b) the enabling provisions of the Bank's Memorandum and Articles of Association, (c) any approval, consent, permission or sanction of SEBI and/or RBI and/ or Ministry of Finance (Department of Economic Affairs), as applicable or relevant Ministry approving foreign investment, as applicable and required, approvals, consents, permissions or sanctions of other concerned authorities, within or outside India, and (d) such terms, conditions and modifications as may be prescribed by any of them while granting such approvals, consent permissions or sanctions and which may be agreed to by the Board of Directors of the Bank (hereinafter referred to as "the Board" which term shall include any Committee constituted by the Board), consent of the Members of Bank be and is hereby granted to the Board to create, offer, issue and allot in one or more tranches by way of a qualified institutions placement under Chapter VI of ICDR Regulations, such number of Equity Shares to Qualified Institutional Buyers as defined under Chapter VI of ICDR Regulations, whether they be holders of the shares of the Bank or not (collectively called "the Investors") as may be decided by the Board in their discretion and permitted under the applicable laws and regulations, for an aggregate amount not exceeding ₹500 crore (Rupees Five Hundred Crore only), inclusive of such premium as may be fixed on the equity shares at such time or times, at such price or prices, at a discount or premium to market

price or prices in such manner and on such terms and conditions, as may be deemed appropriate by the Board at its absolute discretion considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead manager(s) and/or underwriter(s) and/ or other advisor(s) as the Board may in its absolute discretion deem fit or appropriate in accordance with all applicable laws, rules and regulations for the time being in force in this regard (the "Issue").

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

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

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

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

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

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

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

7. Re-appointment of Mr. Murali M. Natrajan, (DIN 00061194) as the Managing Director and CEO of the Bank

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

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 and rules made thereunder, approval accorded by the Reserve Bank of India vide its letter No.DoR.Gov. No.S4841/29.03.001/2021-22 dated March 30, 2022 (hereinafter referred to as RBI Approval), Section 10-A and other applicable provisions of the Banking Regulations Act, 1949 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Rules, Circulars and Guidelines issued by the Reserve Bank of India (RBI) and other concerned authorities or bodies and subject to the conditions as may be prescribed by any of them while granting such approvals, the Members of the Bank do hereby approve the re-appointment of Mr. Murali M. Natrajan (DIN-00061194) as the Managing Director & CEO of the Bank for a period of two year(s) from April 29, 2022 to April 28, 2024 (both days inclusive).

RESOLVED FURTHER THAT pursuant to Section 197 read with Schedule V of the Companies Act,

2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and any other applicable rules, applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to approval from the Reserve Bank of India in this regard, approval of the Members be and is hereby given, to authorize the Nomination and Remuneration Committee of the Board to recommend and the Board of Directors of the Bank to decide on the annual increase in the remuneration, including bonus, up to 15% of the previous year's annual remuneration including bonus paid, if any, during that year.

RESOLVED FURTHER THAT any member of the Board and Mr. R Venkattesh, President and Head–IT, HR, Operations & CIO be and are hereby authorised severally to do all such acts, deeds, matters and things and to execute any agreements, documents, instruments and writings as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the said re-appointment as it may in its sole discretion deem fit and to delegate all or any of its powers conferred herein to any Director(s) and / or officer(s) of the Bank to give effect to this Resolution."

Place: Mumbai
Date: May 7, 2022

By Order of the Board of Directors
DCB Bank Limited

Rubi Chaturvedi
Company Secretary

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

NOTES:

1) In view of the continuing global Covid-19 pandemic, as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No.11/2021 dated January 15, 2021, Circular No. 19/2021 dated December 8, 2021, Circular No. 21/2021 dated December 14, 2021 and Circular No.2/2022 dated May 5, 2022 (collectively referred to as "MCA Circulars") holding of the Annual General Meetings (AGM) or other general meetings of the companies are permitted through video conferencing (VC) or other audio visual means (OAVM) till December 31, 2022, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the Twenty Seventh AGM (the AGM) of the Bank is being held through VC / OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/ OAVM only.

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

3) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

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

4) In line with the MCA Circulars No. 17/2020 dated April 13, 2020 and SEBI Circular dated May 12, 2020, Notice of the 27th AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Bank/ Depositories. Members may note that the Notice and Annual Report 2021-

22 will also be available on the Bank's website www.dcbbank.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL(agency for providing the Remote e-Voting facility and e-Voting system during the AGM) i.e. www.evotingindia.com.

5) An Explanatory Statement required under Section 102(1) of the Companies Act, 2013 in respect of the business at Item Nos. 3 to 7 of the Notice is annexed hereto.

6) The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on general meetings issued by the Institute of Company Secretaries of India (ICSI), in respect of Director seeking appointment/re-appointment in this AGM is annexed.

7) The Bank has fixed, Wednesday, June 15, 2022 as the Record Date [Cut-off Date] for the purpose of the 27th AGM and reckoning entitlement for voting on the Resolutions contained in this Notice and entitlement for dividend, if approved by Member. The remote e-Voting /voting rights of the Members/beneficial owners shall be reckoned on the Equity Shares held by them as on June 15, 2022 (the Cut-off Date) only.

8) **Dividend Related Information**

1. Dividend as recommended by the Board of Directors, if approved at the AGM, shall be paid on or before Thursday, July 21, 2022 to the eligible Shareholders.

   The Shareholders may kindly note that the Bank has fixed , Wednesday, June 15, 2022 as the Record Date for the purposes of Dividend, and all the shareholders whose name appears in the Register of Members as at the Record Date would be entitled to Dividend for the Financial Year 2021-22.

   Members holding shares in dematerialized form are requested to intimate before Wednesday, June 15, 2022 any change in their address or bank account details (including 9 digits MICR No., 11 digit IFSC Code No. and Core Banking Account No.) to their respective Depository Participants with whom they are maintaining their demat accounts.

   Members holding shares in physical form are requested to send immediately to the R&T Agent / Bank a communication duly signed by all the holder(s) intimating about the change of address, along with the self attested copy of their PAN Card(s), unsigned original' cancelled cheque leaf of an active bank account as maintained, and copies of the supporting documents evidencing the change in address. Communication details of R&T agent are as under:

   Link Intime India Pvt. Ltd,
   Unit: DCB Bank Limited
   C-101, 247 Park, L.B.S. Marg,
   Vikhroli West, Mumbai – 400083.
   Tel. No.: 022 49186270
   Fax No.: 022 49186060

2. In case the Bank is unable to make payment of dividend to any shareholder by the electronic mode due to non availability of the details of the Bank Account, the Bank shall dispatch Dividend Warrant/Pay order to such shareholders by Post.

3. Members may note that as per the Income Tax Act, 1961 ("IT Act"), as amended by the Finance Act, 2020, dividends paid or distributed by the Bank after April 1, 2020 shall be taxable in the hands of the shareholders and the Bank shall be required to deduct tax at source (TDS) at the prescribed rates from the dividend to be paid to shareholders, subject to approval of dividend by the shareholders in this AGM. The TDS rate would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Bank. In order to enable the Bank to determine the appropriate TDS rate as applicable, Members are requested to submit relevant documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act.

a. For Resident Shareholders, TDS is required to be deducted at the rate of 10% under Section 194 of the Income Tax Act, 1961 on the amount of dividend declared and paid by the Bank in FY 2021-22, provided valid PAN is registered by the Members. If the valid PAN is not registered, the TDS is required to be deducted at the rate of 20% under Section 206AA of the Income Tax Act, 1961. However, no tax shall be deducted on the dividend paid to resident individuals if aggregate dividend distributed or likely to be distributed during the

FY 2021-22 does not exceed ₹5,000 (Rupees Five Thousand only). In cases where the Members provide valid Form 15G (for individuals, with no tax liability on total income and income not exceeding the maximum amount which is not chargeable to tax) or Form 15H (for individual above the age of 60 years with no tax liability on total income), no TDS shall be deducted.

b. **Instructions regarding TDS for all Shareholders:**

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

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

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

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

a. Select the company (Dropdown)

b. Folio / DP-Client ID

c. PAN

d. Financial year (Dropdown)

e. Form selection

f. Document attachment – 1 (PAN)

g. Document attachment – 2 (Forms)

h. Document attachment – 3 (Any other supporting document)

Please note that the upload of documents (duly completed and signed) on the website of Link Intime India Private Ltd should be done on or before June 15, 2022 in order to enable the Bank to determine and deduct appropriate TDS / Withholding Tax. Incomplete and/or unsigned forms and declarations will not be considered by the Bank. No communication on the tax determination/ deduction shall be considered after June 15, 2022, 6:00 p.m. (IST).

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

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

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

i) **Insurance companies:** Declaration by shareholder qualifying as Insurer as per section 2(7A) of the Insurance Act, 1938 along with self-attested copy of PAN Card;

ii) **Mutual Funds:** Declaration by Mutual Fund shareholder eligible for exemption u/s 10(23D) of the Income Tax Act, 1961 along with self-attested copies of registration documents and PAN Card;

iii) **Alternative Investment Fund (AIF) established in India:** Declaration that the shareholder is eligible for exemption under Section 10(23FBA) of the Act and that they are established as Category I or Category II AIF under the SEBI regulations. Copy of self-attested registration documents and PAN Card should be provided.

iv) **New Pension System Trust:** Declaration along with self-attested copy of documentary evidence supporting the exemption and self-attested copy of PAN Card.

v) **Other shareholders:** Declaration along with self-attested copy of documentary evidence supporting the exemption and self-attested copy of PAN Card.

vi) Shareholders who have provided a valid certificate issued u/s 197 of the Act for lower / Nil Rate of deduction or an exemption certificate issued by the Income Tax Authorities along with Declaration.

vii) For Non-Resident shareholders, (including Foreign Portfolio Investors) Tax would be withheld in accordance with the provisions of Section 195 and 196D of the Income Tax Act, 1961 at applicable rates in force. As per the relevant provisions of

the Act, the tax shall be withheld @ 20% (plus applicable surcharge and cess) on the amount of dividend payable. However, as per Section 90 of the Act, a Non-Resident Shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") between India and the Country of Tax Residence of the shareholder, if they are more beneficial to the shareholder. For this purpose, i.e. to avail the Tax Treaty benefits, Non-Resident Shareholders shall have to furnish the following:

a. Self-attested copy of PAN Card, if any, allotted by the Indian Income Tax Authorities;

b. Self-attested copy of Tax Residency Certificate ("TRC") obtained from the Tax Authorities of the country of which the shareholder is resident;

c. Self-Declaration in Form 10F, if all the details required in this form are not mentioned in the TRC;

d. Self-Declaration by the non-resident shareholder of meeting Treaty eligibility requirement and satisfying beneficial ownership requirement. (Non-resident having PE in India would need to comply with provisions of section 206AB of the IT Act);

e. In case of Foreign Institutional Investors and Foreign Portfolio Investors, self-attested copy of SEBI Registration Certificate;

f. In case of Shareholder being tax resident of Singapore, please furnish the letter issued by the Competent Authority or any other evidences demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement (DTAA);

viii) Please note that the Bank is not obligated to apply the beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Bank, of the documents submitted by Non- Resident shareholder.

ix) Accordingly, in order to enable the Bank to determine the appropriate TDS / withholding tax rate applicable, we request the Members to provide these details and documents as mentioned above before June 15, 2022.

x) The Bank shall arrange to email the soft copy of TDS certificate at the registered E-mail ID of Members after payment of dividend.

Section 206AB of the Income Tax Act, 1961:

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

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

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

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

- A person who has not filed the Income Tax return for two previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing of return of income under section 139(1) of the IT Act has expired; and
- The aggregate of TDS and TCS in his case is ₹ 50,000 or more in each of these two previous years.

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

Members are requested to inform in advance and before cut-off date i.e., June 15, 2022 if they are covered under the definition of 'specified person' as provided in section 206AB of the IT Act. The Bank reserves the right to recover any demand raised subsequently on the Bank for not informing the Bank, or providing wrong information about applicability of Section 206AB.

Updating of PAN, email address and other details:

Shareholders holding shares in dematerialized mode, are requested to update their records such as Tax

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

Updating of Bank Account details:

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

Kindly note that the aforementioned documents are required to be uploaded by June 15, 2022 at https:\\ linkintime.co.in\\ emailreg\\email_register.html

No communication on the tax determination / deduction shall be entertained after June 15, 2022. It may be further noted that in case tax on the said dividend is deducted at a higher rate in absence of receipt of the aforementioned details / documents from the Members, there would still be an option available with Members to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Bank for such taxes deducted.

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

9) In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Bank will be entitled to vote at the AGM.

10) Members holding shares in physical form are requested to address all their correspondence pertaining to change in their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc. to the Registrar and Transfer Agents (RTA) viz. Link Intime India Private Limited, C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 and Members holding shares in dematerialized form should approach their respective Depository Participants for the same.

11) The Securities and Exchange Board of India (SEBI) has vide Circular No.SEBI/HO/MIRSD/MIRSD_ RTAMB/P/CIR/2021/655 dated November 03, 2021 has mandated furnishing of PAN, KYC details (i.e., Postal Address with Pin Code, email address, mobile number, bank account details) and nomination details by holders of securities. Effective from 1st January 2022, any service requests or complaints received from the Members, is not being processed by the Registrar and Transfer Agents (RTA) till the aforesaid details/ documents are provided to RTA by the security holders. **If any of the above cited documents/ details are not available on or after April 1, 2023 in the respective Folio(s), the RTA shall be constrained to freeze such Folio(s)**. In view of the above, the shareholders in physical mode are advised to submit the necessary details for updating to the RTA, as soon as possible. Relevant details and forms prescribed by SEBI in this regard are available on the website of the Bank at https://www.dcbbank.com/for-shareholder/updating-kyc-details-by-shareholders-as-per-sebi

12) Since transfer of securities of listed companies in physical mode has been discontinued with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities, shares of the Bank are traded on the stock exchanges compulsorily in demat mode and to eliminate all risks associated with physical shares, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Bank or Bank's Registrars and Transfer Agents (RTA), Link Intime India Private Limited for assistance, if any, in this regard.

13) The Members who are holding shares in demat form and have not yet registered their Bank details, e-mail IDs, mobile numbers and other KYC Details are requested to register the same with their Depository Participant at the earliest, to enable the Bank to use the same for making payment of their dividend, whenever declared, contact them and serving documents to them electronically, hereinafter. Members holding shares in physical mode are requested to provide, if not provided earlier, their e-mail Ids, mobile numbers, Bank Details and other KYC documents including PAN, to the RTA sending an e-mail at rnt.helpdesk@linkintime.co.in or to the Bank at

investorgrievance@dcbbank.com or online facility that may be provided and communicated by the RTA separately.

14) Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Bank on or before June 17, 2022 through email on investorgrievance@dcbbank.com . The same will be replied by the Bank suitably.

15) Since the AGM will be held through VC / OAVM, the route map is not annexed in this Notice.

16) Members are requested to note that, Dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Bank, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed Dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their Dividends from the Bank, within the stipulated timeline.

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

18) In accordance with the General Circular Nos. Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020 and 02/2021 dated January 13, 2021 read with the circulars dated April 8, 2020, April 13, 2020, December 8, 2021, December 14, 2021 and May 5, 2022 issued by the Ministry of Corporate Affairs (MCA) and in accordance with circular dated May 12, 2020 read with circular dated January 15, 2021 issued by the Securities and Exchange Board of India providing relaxations to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "Applicable Circulars"), electronic copies of the Integrated Annual Report for FY 2021-22 and this Notice inter-alia indicating the process and manner of e-Voting along with instructions to attend the AGM through VC/OAVM means are being sent by e-mail to those Members whose e-mail addresses have been made available to the Bank / Depository Participants. The Members who have not registered their e-mail addresses, kindly register the same on the Registrar and Transfer Agent (RTA's) website at the link:

https://linkintime.co.in/EmailReg/email_register.html.

19) Members who have not updated their latest email address in the records of the Bank / their Depository Participant are requested to update the same before June 15, 2022. The Notice and documents will be sent by email only to those Members who register their email addresses prior to this date.

20) **E-Voting:**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the applicable MCA Circulars, the Bank is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Bank has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a Member using remote e-Voting as well as the e-Voting system on the date of the AGM will be provided by CDSL.

The Bank has appointed Ms. Aparna Gadgil (ACS 14713 & COP 8430) or failing her Mr. S. N. Viswanathan (ACS 61955 & COP 24335) of M/s. S. N. ANANTHASUBRAMANIAN & Co., Company Secretaries, Thane as the Scrutinizer for conducting the remote e-Voting and the voting process at the AGM in a fair and transparent manner. In terms of requirements of the Companies Act, 2013 and the relevant Rules, the Bank has fixed June 15, 2022 as the 'Cut-off Date'. The remote e-Voting /voting rights of the Members/beneficial owners shall be reckoned on the equity shares held by them as on the Cut-off Date only.

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

1. The voting period begins on June 19, 2022 at 09.00 a.m. (IST) and ends on June 21, 2022 at 5.00 p.m. (IST). During this period shareholders of the Bank, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of June 15, 2022 may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter.

2. Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.

3. In order to increase the efficiency of the voting process, it has been decided to enable e-Voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-Voting process.

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL**	1. Users, who have opted for CDSL'sEasi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2. After successful login theEasi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the e-Voting menu, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.Additionally, links are provided to e-Voting Service Providersi.e. CDSL/NSDL/ KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with **NSDL**	1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

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

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

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

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

For Physical shareholders and other than individual shareholders holding shares in Demat.	
PAN	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field

5. After entering these details appropriately, click on "SUBMIT" tab.
6. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is 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 e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
7. For shareholders holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.
8. Click on the Electronic Voting Sequence Number (EVSN) for **DCB Bank Limited** on which you choose to vote.
9. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
10. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
11. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
12. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
13. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
14. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
15. **Additional Facility for Non-Individual Shareholders and Custodians –For Remote Voting only.**
    - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
    - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
    - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Bank at the email address viz. investorgrievance@dcbbank.com, if they have voted from individual tab & not uploaded same in the CDSL e-Voting system for the scrutinizer to verify the same.

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

a. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-Voting.

b. The link for VC/OAVM to attend meeting will be available where EVSN of DCB Bank Limited (the Bank) will be displayed after successful login as per the instructions mentioned above for Remote e-Voting.

c. Shareholders who have voted through remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.

d. Shareholders are encouraged to join the AGM through laptops for better experience.

e. Further, shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

f. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

g. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance through e-mail during the period from June 16, 2022 (9.00 a.m. IST) to June 18, 2022 (5.00 p.m. IST) mentioning their name, demat account number/folio number, E-mail id, mobile number at investorgrievance@dcbbank.com.

h. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance till June 18, 2022 (5.00 p.m. IST) mentioning their name, demat account number/folio number, E-mail id, mobile number at investorgrievance@dcbbank.com. These queries will be replied to by the Bank suitably by e-mail.

i. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Bank reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

j. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE ADDRESSES ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Bank's email id>**investorgrievance@dcbbank.com or **RTA email id>**rnt.helpdesk@linkintime.co.in

2. For Demat shareholders -Please update your email id & mobile no. with your respective Depository Participant (DP)

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh

Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on toll free no. 1800 22 55 33.

Other Instructions

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

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 May 7, 2022:

ITEM NO.3

In terms of Section 152(6) of the Companies Act, 2013, Mr. Iqbal Khan (DIN-07870063) shall retire by rotation at the forthcoming AGM and being eligible offers himself for re-appointment.

Mr. Iqbal aged 44 years, was appointed on July 15, 2017 as a Non-Executive Director of the Bank. He is a Senior Partner at Shardul Amarchand Mangaldas & Co. and a member of the Private Equity and Mergers & Acquisitions Practice Group. He advises some of the largest sovereign wealth funds, global private equity funds and strategic corporate, and specializes in private equity investments, private and public mergers and acquisitions (both domestic and cross-border), joint ventures and foreign investment laws. Mr. Iqbal finished his J.D. from Columbia Law School (as a Harlan Fisk Stone Scholar) and LLB. From London School of Economics and Political Science. Mr. Iqbal has also worked at Kirkland & Ellis LLP, New York and at Paul, Weiss, Rifkind, Wharton & Garrison LLP, New York. He is enrolled with the Bar Council of Maharashtra & Goa. Mr. Iqbal is not related to any Director or Key Managerial Personnel of the Bank.

Other details of Mr. Iqbal Khan, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given in Annexure-I to this Notice

The Board of Directors recommends Members to accord their approval by way of an Ordinary Resolution, for the re-appointment of Mr. Iqbal Khan as a Non-Executive Director of the Bank, liable to retire by rotation as recommended under Item No. 3 of the Notice.

None of the Directors other than Mr. Iqbal Khan, nor any Key Managerial Personnel or their respective relatives is, in any way, interested in the Resolution at Item No. 3 of the Notice.

ITEM NO. 4

Re-appointment of Joint Statutory Central Auditors and to fix their remuneration

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

As per the requirement of the Companies Act, 2013 (the Act) M/s S R Batliboi & Associates LLP,, Chartered Accountants and M/s Sundaram & Srinivasan, Chartered Accountants have confirmed that their appointment if made would be within the limits specified under Section 141(3) (g) of the Act and they are not disqualified to be appointed as statutory auditor/s in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014. RBI approval is awaited for appointment M/s S R Batliboi & Associates LLP, Chartered Accountants and M/s Sundaram & Srinivasan, Chartered Accountants for the Financial Year 2022-23. Subject to approval of RBI, approval of the Members are requested for appointment of M/s S R Batliboi & Associates LLP, Chartered Accountants and M/s Sundaram & Srinivasan, Chartered Accountants for the Financial Year 2022-23 as Joint Statutory Central Auditors of the Bank from the conclusion of 27th AGM till the conclusion of 28th AGM on a remuneration proposed at ₹ 1.45 Crore (Rupees One Crore Forty Five Lakh only) plus out of pocket expenses and taxes at the applicable rates for the purpose of audit for the Financial Year 2022-23, to be allocated by the Bank between M/s S R Batliboi & Associates LLP Chartered Accountants and M/s Sundaram & Srinivasan, Chartered Accountants as may be mutually agreed between the Bank and the said

joint statutory auditors, depending upon their respective scope of work . The remuneration paid to the Statutory Auditors will be disclosed in the Corporate Governance Report as well as the Annual Financial Statements of the Bank on an annual basis

M/s. S. R. Batliboi & Associates LLP, Chartered Accountants is a partnership firm established in 1965 with registered office at Kolkata and 15 locations across the country, 16 partners and a team of 1036 qualified accountants and provides audit and related services in India. The firm has experience across a range of industries and market segments. They have past experience of auditing companies in the financial services sector including banks and at present too are auditors of several companies in the sector

M/s Sundaram & Srinivasan, Chartered Accountants (ICAI Registration No. 004207S) is a partnership firm established in 1943 with registered office in Chennai.They have strong presence in Southern India and provide audit and related services across India.

The Board of Directors recommends the re-appointment of M/s. S R Batliboi & Associates LLP and M/s Sundaram & Srinivasan, as joint Statutory Auditors of the Bank for FY 2022-23 and passing of the Resolutions in Item Nos. 4 of the accompanying Notice.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the passing of the Resolutions in item No. 4

ITEM NO. 5

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 the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, 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 private placement of securities subject to the condition that the proposed offer of Securities or invitation to subscribe Securities has been previously approved by the Members of the Bank, by a Special Resolution, for each of the offers or invitations/ subscriptions. In case of offer or invitation for subscription of non-convertible debentures, it shall be sufficient if the Bank passes a Special Resolution only once in a year for all the offers or invitation for subscription of such debentures during the year. While the Members had passed a Special Resolution at the last AGM held on August 13, 2021, 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 Members' 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 27th AGM which shall be valid for one year from the date of the Members' 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. 5 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.5 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.5.

ITEM NO. 6

Issue of equity shares / other securities convertible into equity shares ("Securities") through Qualified Institutions Placement (QIP):

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

The Bank proposes to grow secured retail assets (e.g. housing loans, gold loans etc.), Micro SME / SME, Mid Corporate, Agriculture and Microfinance businesses. The risk weighted assets of the Bank are expected to rise with increase in the business level. In this backdrop, the Bank proposes to shore up its capital base through issue of Equity Shares. Assuming maintenance of conservative ratio of 11.50 % capital adequacy on incremental assets, the proceeds of the issue of Equity Shares would enable the Bank to add approximately ₹ 4,348.00 crore of risk weighted assets.

The proposed issuance of Equity Shares in terms of the Special Resolution in the Notice will be in conformity with the provisions of all applicable laws.

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

Since the Special Resolutions proposed in the Notice under Item No.6 may or will result in the issue of Equity Shares of the Bank otherwise than to the Members of the Bank, consent of the Members is being sought pursuant to the provisions of Sections 62(1)(c) and other applicable provisions of the Companies Act, 2013 as well as applicable provisions, if any, of the Companies Act, 1956 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in terms of the Special Resolutions in the Notice. The Board recommends the Special Resolution as set out in Item No. 6 of the accompanying Notice, for approval of the Members.

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

ITEM NO.7

Re-appointment of Mr. Murali M. Natrajan, (DIN 00061194) as the Managing Director and CEO of the Bank

Mr. Murali M. Natrajan, is the Managing Director & Chief Executive Officer of the Bank since April 29, 2009. He has 38 years global experience in financial services. This includes Branch Banking, Mortgages, Credit Cards, Personal Loans, Wealth Management, SME, MSME, Corporate Banking, Agriculture, Operations, Technology, Credit Risk, Re-engineering, Finance, Marketing and Product Management. His detailed profile forms part of Corporate Governance Report.

Mr. Murali M. Natrajan was last re-appointed as the Managing Director and CEO of the Bank for a period of one year from April 29, 2021 up to April 28, 2022 at the Twenty Sixth AGM held on August 13, 2021 as per the approval of the Reserve Bank of India vide letter DOR.GOV.No. 37539/29.03.001/2021-22 dated April 15, 2021.

The Board of Directors at the meeting held on October 20, 2021 had approved and recommended to the Reserve Bank of India (RBI) the re-appointment of Mr. Murali M. Natrajan as Managing Director and CEO of the Bank. The Reserve Bank of India vide letter No.DoR. GOV. No.S4841 /29. 03. 00 1 /2021-22 dated March 30, 2022 has approved re-appointment of Mr. Murali M. Natrajan as Managing Director and CEO of the Bank for further period of two years from April 29, 2022 up to April 28, 2024 (both days inclusive).

Mr. Natrajan shall be entitled to an annual increase in remuneration being limited to 15% of the previous year's annual remuneration inclusive of the bonus paid, if any,

for that Financial Year, which will be subject to prior RBI approval.

Mr. Natrajan is not entitled to sitting fees for attending meetings of the Board / Committees. Mr. Natrajan is not related to any Director or Key Managerial Personnel of the Bank.

Other details of Mr. Natrajan, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in Annexure-I to this Notice

The Board of Directors recommends Members to accord their approval for the re-appointment of Mr.Murali M. Natrajan as the Managing Director & CEO of the Bank for a further period of two years from April 29, 2022 to April 28, 2024 (both days inclusive) and payment of remuneration as approved by RBI and passing of the Ordinary Resolution as set out in Item No. 7 of the Notice

None of the Directors other than Mr. Murali M. Natrajan, nor any Key Managerial Personnel or their respective relatives are, in any way, interested in the Resolution at Item No. 7 of the Notice.

By Order of the Board of Directors
DCB Bank Limited

Place: Mumbai
Date: May 7, 2022

Rubi Chaturvedi
Company Secretary

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

Annexure-I

Details of Directors seeking appointment / re-appointment in the 27th AGM scheduled on June 22, 2022 (Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), are given below:

Name of Director	Mr. Iqbal Khan	Mr. Murali M.Natrajan
Brief Resume	Provided in the explanatory statement	Provided in the explanatory statement
Expertise in Specific Functional area	Law, Merger & Acquisitions & Strategic Options	Accountancy & Audit, Banking, Agriculture & Rural Economy, Economics, Finance, Small scale industry, Information Technology, Payment & Settlement Systems, Human Resources, Risk Management, Business Management, Product Development & Marketing, Merger & Acquisitions & Strategic Options
Reletionships between directors inter-se	None	None
Directorship and membership of Committees in other listed entities	None	None
Listed Entities from which resigned in the past three years	None	None
Shares held in the Bank as on March 31, 2022	Nil	2,400,000
Shareholding in the Bank as a beneficial owner	Nil	Nil

DIRECTORS' REPORT

Your Directors are pleased to present the Twenty Seventh 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, 2022 (FY 2022).

In FY 2022, the Bank has posted an Operating Profit of ₹ 796.98 crore (FY 2021 ₹ 885.81 crore) and a Net Profit of ₹ 287.50 crore (FY 2021 ₹ 335.79 crore).

Total Assets have increased by ₹ 5,238.01 crore and reached ₹ 44,840.14 crore as on March 31, 2022 (₹ 39,602.13 crore as on March 31, 2021).

Customer Deposits have increased by ₹ 4,176.64 crore and Advances have increased by ₹ 3,358.58 crore. Your Bank continues to make significant contribution to Priority Sector Lending (PSL) and has achieved the overall PSL target as required by the Reserve Bank of India (RBI).

The Net Interest Margin (NIM) was 3.56% in FY 2022 as compared to 3.59% in FY 2021 and the Current and Savings Accounts (CASA) ratio stood at 26.8% as on March 31, 2022.

Cost to Income Ratio has increase to 56.0% in FY 2022 from 48.9% in FY 2021. Total Branch network stood at 400 as on March 31, 2022 (352 as on March 31, 2021) and ATM network was 349 as on March 31, 2022 (410 as on March 31, 2021).

Provisions Other Than Tax have decreased to ₹ 407.43 crore in FY 2022 from ₹ 433.01 crore in FY 2021. Your Bank has been making conservative provision for Non-Performing Assets (NPA) and Loans restructured on account of Covid-19 stress. In addition, the Bank has also been making Floating Provision and provision against Standard Assets.

Gross NPAs have increased to ₹ 1,289.93 crore as on March 31, 2022 from ₹ 1,083.44 crore as on March 31, 2021. Consequently, Gross NPA Ratio as on March 31, 2022 was 4.32% as compared to 4.13% as on March 31, 2021. Net NPAs have decreased to ₹ 573.23 crore as on March 31, 2022 as against ₹ 594.15 crore as on March 31, 2021. Consequently, Net NPA Ratio as on March 31, 2022 was 1.97% as compared to 2.31% as on March 31, 2021. The overall NPA Provision Coverage Ratio as on March 31, 2022 was 67.84% (62.35 % as on March 31, 2021).

Return on Assets (RoA) Ratio in FY 2022 was 0.70% as compared to 0.87% in FY 2021. Corresponding Return on Equity (RoE) Ratio in FY 2022 was 7.92% as compared to 9.99% in FY 2021.

Capital Adequacy Ratio (CAR) under Basel III as on March 31, 2022 stood at 18.92% (19.67% as on March 31, 2021).

FINANCIAL SUMMARY

(₹ in crore)

Balance Sheet	As at March 31, 2022	As at March 31, 2021	Increase / (Decrease)
Customer Deposits	31,280.26	27,103.62	4,176.64
Inter Bank Deposits	3,411.43	2,600.24	811.19
Total Deposits	34,691.69	29,703.86	4,987.83
[Including Total CASA]*	[9,281.08]	[6,786.51]	2,494.57
Advances	29,095.78	25,737.20	3,358.58
Gross – NPA	1,289.93	1,083.44	206.49
Net – NPA	573.23	594.15	(20.92)
Total Assets	**44,840.14**	**39,602.13**	**5,238.01**

Profit & Loss	For the year ended March 31, 2022	For the year ended March 31, 2021	Increase / (Decrease)
Net Interest Income	1,357.51	1,286.61	70.90
Non Interest Income	452.04	445.83	6.21
Total Operating Income	1,809.55	1,732.44	77.11
Operating Cost	1,012.57	846.63	165.94
Operating Profit	796.98	885.81	(88.83)
Provisions Other than Tax	407.43	433.01	(25.58)
Net Profit Before Tax	389.55	452.80	(63.25)
Tax	102.05	117.01	(14.96)
Net Profit After Tax	**287.50**	**335.79**	**(48.29)**

* Current and Savings Accounts (CASA)

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, 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

VISION

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

TARGET MARKET

Keeping in view its inherent strengths, branch network and expertise, the Bank's target market is mainly small business owners / self-employed / small business segment (traders, shopkeepers, business owners, 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 usually 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. As per estimates the MSME sector contributes around 30% to India's GDP.

Some useful information on the MSME sector is given below:

- Number of Working Enterprises: 64 million, Employment: 111 million individuals
- Urban: 49%, Rural: 51%
- Manufacturing: 31%, Trade 36%, Other Service: 33%
- Sole Proprietor: 96%

(Source: Annual Report FY 2020-21 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.

At the beginning of FY 2022, India was impacted by severe Covid-19 second wave. The infection spread very fast and although both Central and State governments made tremendous efforts to contain the situation, unfortunately the death toll was high. Yet again, to curb the spread of infection, lockdowns and restrictions had to be imposed which resulted in loss of business especially for the small businesses, shops and self-employed (Bank's target segment). The Bank followed a growth strategy underpinned by prudence and caution, prioritizing supporting existing customers in their period of stress and uncertainty. Wherever possible, the Bank within the regulatory framework provided relief / restructure, to eligible borrowers, to tide over the difficult times. Like Covid-19 first wave, after the restrictions were cautiously lifted, economic conditions started improving. Towards Q3 FY 2022, the country was impacted by Covid-19 third wave. However, in comparison to the second wave, the third wave was mild, and the negative impact was limited. By Q4 FY 2022, the economic situation was pretty much back to pre-Covid-19 level and most of the restrictions have been relaxed by both Central and State Governments. As a result of lockdowns affecting the self-employed segment, the Bank's NPAs and Restructured Loans increased in Q1 FY 2022. From Q2 FY 2022, as the Bank stepped up its Collections and Recovery efforts, NPA slippages started declining while recoveries / upgrades steadily improved.

CREDIT RATINGS

During the current year, CRISIL Limited reaffirmed 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+/ (stable) rating for Basel III Compliant Tier II Bonds Programme and ICRA A1+ rating for Short Term Fixed Deposits Programme.

AWARDS AND RECOGNITION

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

DCB Bank won the Gold in ACEF (Asian Leaders Forum & Awards, Branding, Marketing & CSR) 2021. The Bank's CSR partnership project of Achari Kunta in Hyderabad, Telangana with iNaturewatch foundation associated with water conservation, and restoration won in Best Corporate - Non-profit Partnership category.

DCB Bank was given Special Commendation, The CSR Journal Excellence Awards 2021. The CSR Journal recognizes institutional and systematic efforts to address development challenges in the social space. The Bank was felicitated for its efforts in climate change mitigation, protecting biodiversity, restoring land and carbon sequestration over the long term. The Bank had initiated a pilot project to plant 10,000 saplings of indigenous tree species at INS Hamla, Madh Island in Mumbai.

Human Resources

- The Bank continues to be certified by the **"Great Place to Work Institute"** for building a High Trust and High-Performance culture
- The Bank also received a coveted industry recognition by the **Great Manager Institute (GMI)** featuring in Forbes India. The Bank made it to India's Top 30 list of Companies with Great People Managers. Two of the Bank's Managers featured in the top 100 list of Great Managers in India.
- The Bank's unique and best practice known as "EORO – Each One Reach One' was recognized by **ACEF Asian Leaders Awards** in the Best Employee Engagement Gold Category.
- The Bank was featured in **CII (Confederation of Indian Industry)** in their **Compendium of Best Practices** in the employee wellbeing category. The Bank's initiatives such as employee benevolent fund, Employee Assistance Program, vaccination drive, enhanced medical benefits etc were highlighted and appreciated.

Information Technology

The Bank was adjudged as Winner in the Ecosystem-Led Innovation Category of Infosys's Client Innovation Award 2021. The Bank was recognized for Open Banking Transformation and Zippi Plus Deposit.

BFSI EXCELLENCE AWARDS 2021

The Bank received the **Best Data Management Project award at BFSI EXCELLENCE AWARDS 2021**. This was on account of initiatives taken in Robotic Process Automation, Open Banking and Block Chain initiatives.

The Bank's 'ATMCHAIN'- first blockchain based project was recognized as **BLOCKCHAIN SOLUTION OF THE YEAR -BANKING 2021 at Alden Global Valye Advisor's INFLECTION Awards.**

ASSOCHAM National E-Summit & Awards –April 2021

- Winner for category of Digital Deposits, Private Sector Bank
- Runner up for category of Digital Services, Private Sector Bank

5th NXT CX Summit and Awards for Excellence in Banking Services – February 2022

BRANCH EXPANSION / ATMs

The number of branches, as on March 31, 2022, stood at 400 [221 Retail branches and 179 branches in Agri and Inclusive Banking (AIB)]. Out of which 71 branches are in rural areas and 106 branches are in semi-urban areas. The new branches have a standard, uniform and pleasing look and feel, and they are designed to provide a unique, positive, and seamless banking experience to customers. The Bank had 349 ATMs as on March 31, 2022.

RETAIL BANKING

Retail Banking offers unique products for meeting financial needs of individuals and businesses. The Bank follows a multi-product approach which results in "all products being offered in all branches" subject to customer demand in the branch catchment area. To remain competitive, the Bank is particular about the quality and timeliness of service delivery. The Bank has a wide range of products that caters to the various needs of the customers.

Term Deposits

DCB Bank is usually amongst the top 5 banks in India in terms of offering attractive Term Deposit interest rates especially for longer tenor retail deposits. DCB Bank offers DCB Health Plus Fixed Deposit product which has unique health insurance benefits at "zero cost" to customers (subject to terms and conditions). During FY 2022, the Bank has substantially changed the liquidity profile and mix of its deposits. The continuous focus was on obtaining granular deposits. Consequently, the top 20 deposits ratio which was at 6.98% at the start of the year further declined to 6.31% at the end of FY 2022.

Mortgage and Micro Mortgage Loans

Mortgage is the prime lending product for the Bank and is contributing more than 45% of bank's advances book. As part of the mortgage business, the Bank offers

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

In FY 2022, within the regulatory guidelines, the Bank continued to provide assistance to customers affected by Covid-19 disruptions.

As soon as the Covid-19 second wave abated, the Mortgages business bounced back strongly with increased sourcing from the selected segments and more focus on home loans. The Bank continued to remain cautious and maintained its focus on small ticket secured lending. The Bank expanded its distribution in the Mortgage business by increasing frontline headcount and deepening geographic presence. By the end of FY 2022, new business writing was ahead of pre-Covid-19 volumes.

Construction Finance (CF)

The construction sector is an important contributor to the growth of our economy. Affordable housing in both rural and urban areas is one of the key thrust areas for the Government of India. The implementation of Real Estate Regulation & Development Act, (RERA) 2016 in most states, has brought in much needed transparency in this sector, creating favorable conditions for home buying and financing. The Bank's approach is to focus on reputed builders with a strong track record who are primarily concentrating in the affordable housing segment. At the same time the strategy is to be cautious and limit exposure per builder / project. The Bank has established processes to monitor sales, collections, and utilization of funds towards project completion. Having faced the brunt of Covid-19 disruptions until June 2021, the housing construction sector responded very well to the enhanced demand from home buyers. The country witnessed many new projects launches during FY 2022 with very robust buying in the affordable and mid-segment housing units across most of the key geographies. The Bank expects ample opportunity in lending to affordable and mid-segment housing projects in line with Government of India impetus on addressing the credit gap / housing shortage in the affordable housing sector.

Commercial Vehicle (CV) Loans

Commercial Vehicle Loans (CV) significantly improves the PSL composition in the Bank. Most of the CV portfolio is categorised as PSL. This facility is offered across 110 locations. The CV industry have been facing headwinds on account of weak economic conditions and pandemic. Recently the sector is also impacted by raising fuel prices. CV industry have been among the worst affected by Covid-19, impacted more than 90% of customers. However, the CV sector is on the path of recovery post Q3 FY 2022. The Bank's CV frontline reached out to each customer through daily visits / calling. In a sensitive and sensible manner, the Bank offered relief to various customers within the regulatory framework. The Bank believes that the CV business, which is integral to the growth of the economy, will see revival in the times to come.

Loan against Gold

Loan against gold is offered in most of the branches of the Bank. The Bank has focused on improving customer experience and service by continuously investing in process improvements through in-housing of valuation process and significant overhaul of the front-end system used for loan processing. Most of the verification and validation processes have been automated leading to faster turnaround and improved customer experience. The bank has invested to improve control and risk mitigation processes.

Insurance and Mutual Funds Distribution

The Bank has corporate agency tie-ups for distribution of life insurance, health insurance and general insurance. The Bank also has referral tie ups for mutual fund distribution. This enables the Bank to deepen customer relationships in addition to increasing fee income.

Traditional Community Banking

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

Non-Resident Indian (NRI) business

The Bank has NRI customers from 130 countries, which contribute to 9.26% of the total customer deposits.

Government business (Collection of Direct and Indirect Taxes)

The Bank has been authorised by the Reserve Bank of India, Central Board of Direct Taxes, Central Board of Indirect Taxes and Customs, Controller General of Accounts and Ministry of Finance to collect various kinds of Direct and Indirect Taxes. After technical integration, DCB Bank customers will be able to pay their Direct and Indirect Taxes through Mobile banking or Internet banking platforms as well as through all our branches, resulting in immense ease and convenience for customers.

COLLECTIONS AND RECOVERIES

Collection Team operates out of 250 locations with a hub and spoke model. Being a critical and important function team has developed robust capabilities to collect overdue payments and ensure portfolio quality across products. Extensive use of data analytics to improve predictability has been critical in improving the productivity and performance of the unit.

During the Covid-19 second wave, the Collections team was in regular touch with the customers to understand difficulties faced by them and wherever possible extend relief / support within the regulatory framework. The Collections team also provided financial education on default, moratorium etc to help customers tide over difficult times. The Collections team actively embraced digital payment options to reduce face-to-face (for health and safety) interactions and provide convenience to customers.

STRATEGIC ALLIANCES

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

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

Bancassurance

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

Service Partners

Name of the Partner	Type of arrangement
Euronet Services India Limited	ATM and Switch Management

Business Alliances

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

Fintech Alliances

Name of the Partner	Type of arrangement
Finnew Solutions Private Limited (NiYo)	Global NiyO Card Management
Greenizon Agritech Consultancy Private Limited	Lending Business

Trade Receivables Discounting System (TReDS) Alliances

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

CORPORATE BANKING (CB)

The Bank's intention is to have a limited presence exposure Corporate Banking. This business operates across India with regional offices in Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Kolkata, and Mumbai. The objective is to provide a complete range of commercial banking solutions including Foreign Exchange, Trade Finance and Cash Management. The Bank has a robust underwriting and credit system to address the inherent risks in Corporate Banking. The emphasis is on building a secured loans portfolio and creating long term relationships with high quality large and mid-corporates.

Corporate Bank during the year maintained a stable loan book while continuing to build on the short-term products. This unit is also responsible for providing liquidity through deposits and achieved robust growth in the deposits momentum which is likely to carry on in the coming years. The number of products per customers also increased thereby improving depth.

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

In FY 2022, the Bank added 30 new customers and leveraged existing customer relationships. Your Bank understands that the RMs must have in-depth knowledge of various industries and corporates. To meet this need, the Bank has introduced and reinforced RM Knowledge Improvement Programs wherein information on various industries, corporates, credit ratings etc are shared with the RMs on a regular basis.

AGRI AND INCLUSIVE BANKING (AIB)

AIB is a separate unit with the main aim of achieving financial inclusion, PSL and enhancing the Bank's footprint in the Rural and Semi Urban areas. At the end of FY 2022, AIB had 179 branches in 13 states of India. There are many opportunities to offer simple innovative products backed by superior technology in the Rural and Semi Urban areas of India. Many of the new branches are in Tier 2 to Tier 6 locations. There is a constant endeavor to cater to underbanked and unbanked population of the country through a wide range of products, for example, zero balance savings account, small recurring deposit account, small loans to match the income and cash flow cycle. AIB also coordinates the entire PSL efforts for the Bank and is primarily responsible for achieving the financial inclusion targets.

Pradhan Mantri Jan-Dhan Yojana (PMJDY)

In FY 2022, the Bank actively participated in PMJDY program. The Bank had 34,362 PMJDY accounts as on March 31, 2022. The Bank has enabled Rupay Debit Cards for PMJDY account holders.

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

The Bank successfully reached out to unbanked and economically weaker population through PMSBY, PMJJBY and APY programs that are designed to bring social security. Your Bank had 5,733 customers under PMSBY, 2,905 customers under PMJJBY and 4,719 customers in APY as on March 31, 2022.

BSBDA

BSBDA has replaced "No frills account". This is a wonderful product for achieving financial inclusion especially for those who have limited transaction needs in the low-income group. The Bank had 45,493 BSBDA accounts as on March 31, 2022.

Kisan Mitra

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

Retail Agriculture Loan and Kisan Credit Card

To meet the credit needs of the farmers, the Bank has retail agriculture products like Kisan Credit Card that aims at providing adequate and timely credit support to the farmers for crop cultivation and allied activities. Under the KCC program, the Bank offers Cash Credit

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

Tractor Loans

Tractor Loans are an integral part of the total agricultural equipment sector and is an direct indicator of growth in the agricultural sector. The Bank has steadily built its business across Tier 2 to Tier 6 branches. Tractor loans helps the Bank to partly meet PSL targets for agriculture and small and marginal farmers set by the RBI. Rural economy has remained more or less despite Covid-19 disruptions and the Bank has expanded in new locations that has benefited small & marginal farmers.

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 network of MFI relationships across India. In a few states of India, the Bank is also providing Self-Help Groups (SHGs) and Joint Liability Groups (JLGs) unsecured loans through BCs for economic activities. Group loans from bank has enabled unprivileged customers to avail small loans from the banking sector instead of high-cost borrowing from money lenders. These loans are usually provided to small farmers and weaker sections mainly in rural areas. To support the growth, Bank has an efficient software system for managing BC Loans. This software helps maintain adequate information about the borrowers under SHGs & 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. The Covid-19 pandemic disruptions resulted in increase in NPAs in the BC MFI loans. The Bank took several steps to address the various issues and put the BC lending back on track.

CO-LENDING PARTNERSHIPS

Co-lending is a unique concept enabled by the RBI. The Bank's intention is to partner with NBFCs that may be offering products not currently offered by the Bank or segments not served by the Bank. In FY 2022, the Bank has entered co-lending partnerships with two leading NBFCs for Gold Loans. Co-lending is likely to be an integral part of Bank's business growth plans in the coming months.

ALTERNATE CHANNELS AND DIGITAL BANKING

Phone Banking

In FY 2022, the Bank's Customer Care Associates attended to approximately 86,000 calls per month. Despite the pandemic disruptions, the Call Center maintained 100% uptime. The Bank also upgraded its technology to enable Work from Home (WFH) capabilities. With the help of technology and training, Bank was able to seamlessly re-direct calls to branch staff to achieve load balancing of calls at the Call Center. This was unique initiative which helped to achieve continuous service to customers, job enrichment to branch staff and cost efficiency.

Bank has also upgraded its technology to SIP based on traditional PRI based, thus improving the clarity of voice, improving the connect time and enhancing the uptime. Considering the pan India presence, the Bank has ensured that its Customer Care Associates can interact with the customers in 8 languages (English, Hindi, Gujarati, Kannada, Marathi, Odiya, Tamil and Telugu). The Customer Care unit conducts programs such as 'Voice of Customer' for effective complaint resolution and process improvements. One of the key measures initiated is customer retention calling team was to contact customers to restart using the Bank's services and do a deep dive to understand issues that may have been faced by customers. It is a window provided to the customers to provide feedback which are then relayed to the various business and functions corrective action.

ATMs

The Bank has 349 ATMs as on 31st March 2022. The Bank ensured that ATM uptime was maintained at above 90% despite ground level challenges on account of pandemic. The Bank has reduced several unviable and unprofitable ATMs during the year. The Bank has implemented Win Win 10 operating system, TLS, and Hard Disk encryption in ATMs.

DCB Mobile and Internet Banking

The Bank's customers, more than 130,000, are actively using the new and improved Mobile Banking App. The users have given a rating of 4.6 which is "best in class" amongst the peers group. The new version of the app is multilingual (12 languages) and also has Gold Loans.

DCB Internet Banking is also used by more than 60,000 retail and corporate customers. Internet Banking platform is rich with plethora of digitally managed services, which has reduced the need to visit branches. The platform is aligned to service the HNI customers by offering even higher limit for channels.

DCB Unified Payment Interface (UPI)

Lockdown and restrictions have further given boost to UPI channel which has now become one of the most popular digital mode for small transactions. The Bank's UPI transactions have registered 116% growth in FY 2022.

DCB Open Banking

The Bank has a wide range of Application Programming Interface (APIs) to integrate the Bank systems in a seamless manner with alliance partner.

DCB Debit Cards

The Bank continuously focusses on increasing Debit Card usage and constantly enhancing its security features like we have stopped fallback transactions to avoid Card skimming cases, we have restricted our Card transactions made through non EMV compliant ATMs, along with that we have implemented BIN level limit & velocity control at NPCI & Visa under program TFD (Tailored Factor Defence) & GDC (Gross Debit Cap). Various validation and channel control as instructed by RBI in guideline "Enhancing Card security" are implemented on online Banking channels for easy use by customers.

The Bank from time to time, the Bank also offers seasonal promotional benefits such as healthcare, insurance etc.

DCB Niyo Global Cards

DCB Niyo Global Card is a Debit Card issued to DCB Niyo Current Account holders. This program is uniquely designed such that unlike forex cards, frequent top up of the card is not required since the card is linked to the Current Account. Card holders are offered security features to switch on or off card usage, change transaction limit and block or unblock the card. Also, the DCB Niyo Global Card provides exchange rates which are competitive, making the product a compelling proposition.

TReDS

In FY 2022, the Bank commenced participation on Trade Receivables Discounting System (TReDS), a unique digital capability that provides assured and faster financing to MSMEs / SMEs who are providing goods and services to larger companies. TReDS is improving flow of finance to MSMEs / SMEs. During FY 2022, the Bank has financed more than 500 MSMEs (almost 6,000 invoices) in TReDS platform. Financing on TReDS also qualifies as PSL.

DCB Debit Cards

The Bank continuously focusses on increasing Debit Card usage and constantly enhancing its security features. Instead of using static password, Debit Card users can complete their online payments with OTP. Debit Card users have security features enabling customers to activate or deactivate their Card on POS / ATM / online channels, customers can also change transaction limit and block or unblock their card. The Bank has an exciting "cashback" program to delight customers who increase their card usage provided the customers maintain the stipulated average minimum balance. In addition, from time to time, the Bank also offers seasonal promotional benefits such as healthcare, insurance etc.

TRANSACTION BANKING

Cash Management Services (CMS)

The Bank provides Corporates, MSME/SME and Retail customers sophisticated and cost-effective CMS. This helps customers manage their collection and payment logistics with ease. The Bank has 7 vendors for CMS cheque collections across India. The Bank has upgraded the CMS system for both Payments and Collections enhancing its features and benefits. At the end of FY 2022, the Bank had 5,579 active customers using the CMS facilities.

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 2022, BIB facility had 31,887 users

TREASURY, MONEY MARKET AND FOREIGN EXCHANGE

Treasury

Treasury actively manages liquidity, compliance with important regulatory tools- CRR & SLR, trading in fixed income securities & currencies, and investment in Initial Public Offers (IPOs). It also shares the responsibility of interest rate risk management of the Bank.

In FY 22, the Bank made gains in a cautious manner by utilizing the trading opportunities in G-Sec presented by rising yields and policy rate. The Bank selectively invested in equity IPOs and booked profits by way of listing gains.

Money Market

India's Gross Domestic Product (GDP) grew by 6.90% on annualised basis and 3% on two year CAGR basis. Economic activity seems to be recovering quickly after the Covid-19 third wave in December 2021 / January 2022. February 2022 CPI inflation rose to 6.07% which is the above 6% tolerance level of RBI.

Globally, the interest rate and liquidity back drop are turning adverse in the face of rising inflationary pressures. Indian market rates have also inched up in past three months. RBI has so far kept the policy rates (Repo: 4.00%, Reverse Repo: 3.35% and MSF rate: 4.25%) unchanged along with the accommodative policy stance.

However, the market seems to have already discounted possible rate hike. The effective operating Reverse Repo Rate has increased from 3.37% to 3.90% under the Variable Reverse Repo Rate (VRRR) system. The 10 Years Benchmark G Sec which was at 6.15% at the beginning of FY 2022, touched high of 6.99% in February 2022 and was trading at 6.80% in the third week of March 2022.

Foreign Exchange

Covid-19 second wave hit India hard at the start of FY 2022. The Indian Rupee which was at 73.50 against US Dollar at the beginning of the first quarter weakened to 75.30 by end of the first quarter. But as the second wave plateaued, supply disruptions around the world and accommodative monetary policies from major central banks caused inflation. The Federal Reserve System (Fed) started hinting at raising interest rates. As a result, US Dollar Index rose to 99. On February 16, 2022, Fed increased its rate by 25 basis points and few more increase in rates may be expected during the year 2022. This may have a contagion effect on other country / global interest rates.

As of now, given India's economic environment, RBI appears to be preferring an accommodative stance to support growth. The Indian Rupee has steadily weakened against the US Dollar in line with the strengthening of US Dollar Index. Towards the end of the year, the Ukraine war and geo-political tensions resulted in spike in crude oil price and the Indian Rupee hit an all-time high of 77.20 against the US Dollar.

Alternative Reference Rate (ARR) for foreign currency loans: LIBOR ceased to be benchmark rate from 31 December 2021. The Bank shifted to ARR before LIBOR ceased to exist. It ensured seamless flow of foreign currency assets and liabilities. Shifting to ARR was key to superior customer service as it did not disrupt flow of foreign currency denominated credit. The Bank has been one of the earliest movers in this segment.

RISK MANAGEMENT

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

Credit Risk

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

Concentration Risk

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

Market Risk

The Bank has an established process to measure, monitor and manage Interest Rate, Exchange Rate and Equity Risk as part of Market Risk Management. Besides the

usual monitoring of Structural Liquidity, Interest Rate Sensitive Gap limits and Absolute Holding limits, the Bank also monitors interest rate risks using Value at Risk limits. Exposures to Foreign Exchange and Capital Markets are monitored within pre-set exposure limits, margin requirements and stop-loss limits.

Country Exposure Risk and Counterparty Bank Risk

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

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

Liquidity Risk

As part of the liquidity management and contingency planning, the Bank assesses potential trends, demands, events and uncertainties that could result in adverse liquidity conditions. The Bank's Asset Liability Management (ALM) policy defines the gap limits for the structural liquidity and the liquidity profile is analysed on both static and dynamic basis by tracking cash inflow and outflow in the maturity ladder based on the expected occurrence of cash flow. The Bank undertakes behavioural analysis of the non-maturity products, namely CASA, Cash Credit and Overdraft accounts on a periodic basis to ascertain the volatility of balances. The renewal pattern and premature withdrawals of 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

The Bank strives to continuously improve process controls and customer satisfaction. The Bank has a separate cross functional committee – Management Committee for Approval of Processes (MCAP). In general, new processes are subjected to review by MCAP. The Committee is tasked with identifying operational and compliance risks in new processes and ensuring that steps are taken to mitigate risks. Also, MCAP, on an on-going basis reviews and approved existing processes for further improvement. In the FY 2022, 85 processes were reviewed and approved 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.

Information / Cyber Security Risk

The Bank operates in a highly automated environment and makes use of the latest technologies to support various operations. We have in place a robust governance framework, information security practices and a business continuity plan to mitigate information technology and cyber security related risks. The Bank ensures that it's Information and Cyber Security policies are updated regularly and implemented to ensure protection of customer sensitive information, transactions integrity, availability of banking services and be resilient to risks from an ever changing cyber threat landscape. The Bank has a 24x7 security operations centre to monitor security alerts and taking immediate response and recovery actions..

IMPLEMENTATION OF BASEL III GUIDELINES

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

INFORMATION TECHNOLOGY (IT)

FY 22 has seen increased dependence on digital technologies for banking needs. DCB Bank is looking forward to adopting emerging technologies like AI/ ML, Blockchain, IoT, Edge Computing, Robotic Process Automation, API Banking, Metaverse, conversational banking, Big Data to bring much more needed futuristic customer services, newer business models, operational excellence with automation.

Bank has been already progressed on various such initiatives through innovation, collaboration and integration its services with fintech, startup and partner ecosystem to offer customers newer and efficient technologies for better, convenient and personalized banking experiences

Following were some of key initiatives during FY 2022.

- aunched fully digitized end to end customer on boarding product (CUBE), for quicker and seamless onboarding process.
- Implemented a new and scalable Payment System for NEFT/ RTGS
- Online Dispute Resolution for UPI Payments
- Launched WhatsApp Banking extending specific services to customers.
- Assisted Journey for customers using Zippi - Co-browsing solution using Cogno.AI to help customers online during onboarding process.
- NPA Automation as per IRAC norms.
- Implemented Social Command center – This is to scan across different social networking sites and to respond to specific requests by our customers / prospects
- Implemented international SMS alerts to customers who are outside India
- Paperless E joining kit for new employees
- Added several unique / new features in New Mobile Banking Application that enhanced customer experience including Multilingual menus
- Enhanced Self Service Kiosk with aadhar authentication to provide more STP services.
- Enhanced DR site with extended capability to have needed resilience and recovery.
- Internet Banking Enhancements – 25 + Feature & Digital Payment Security Controls like Third Party Verification, Connected Banking, Income Tax 2.0
- New Mobile Banking and Enhancements like Card Management, MPIN Management, Multilingual Support

BUSINESS INTELLIGENCE UNIT (BIU)

The core objective of BIU is to support all businesses and functions to make decisions using data analytics. The Bank has a scalable analytical stack in areas of Big Data, Machine Learning and Deep Learning comprising of an Enterprise Data Lake and GPU servers. The analytical platforms used in the Bank include SAS Viya, R, Python and Spark. This has assisted businesses and functions in several "Use Cases" in the field of Machine Learning and Artificial Intelligence such as building predictive models like default behaviour scorecards, using techniques such as time-series forecasting and optimisation for cash loading at ATMs, text mining and NLP for sentiment analysis, Big Data capabilities for analysing behavioural patterns for campaigns, product selection, ADF submissions, etc. amongst other initiatives combining power of Analytics and Technology.

OPERATIONS

Operations unit was once again put under real "stress test" due to the disruptions of Covid-19 second wave. The character and zeal of the employees in Operations units is a testament of fact that there was no major disruption of customer services / operations during FY 2022. Operations continues to focus on automation to serve customers faster and more efficiently. New state-of-the-art customer onboarding software "CUBE" was implemented which has built in automated checks and facilitates customer account opening within a few minutes while providing a superior onboarding experience to the customers. Several new initiatives to bring about transformational changes to processes using technology as an enabler were implemented during the year. Centralized Clearing platforms and applications were revamped to make the service more robust and resilient. Quality assurance functions were further strengthened for continuous improvements to ensure consistency and predictability in services while keeping a close watch on costs, productivity, and operational excellence.

Grooming next generation leaders and creating second line leaders across various unit is a key focus area in Operations and during the year two employees from Operations featured in the India's Top 100 Great People Managers' List of 2021."

INTERNAL AUDIT (IA)

IA function has employees with varied domain background and experience. The IA team comprises of professionals, experienced bankers, specialists, and "freshers". IA function reports into the Audit Committee of the Board (ACB) which constitutes members with strong domain and

audit knowledge. ACB oversees the IA function, monitors performance, and provides regular guidance for improving control and compliance. During FY 2022, the IA Adopted three models of audits namely remote, hybrid (limited review through physical presence at branches and units with detailed remote data analysis) and complete onsite audits to continue doing audits through the year. The IA team makes use of data analysis in the audits through use of SAS. In FY 2022, IA conducted 178 branch audits, 31 periodic audits and 9 IT audits. IA team members attended multiple online training programmes for continuous enhancement of knowledge and audit methodology.

VIGILANCE

The Fraud Risk Monitoring (FRM) unit has been enhanced through inclusion of additional data points into the review mechanism. The scope and coverage have also been expanded with 24x7 monitoring. The Bank is enabled fraud detection across channels with the aim of early detection of possible fraud transactions / usage. Through process improvements, the Vigilance unit has improved reporting, investigation and response to queries received from various law enforcement agencies. The Vigilance unit had continued to conduct fraud risk awareness using online training sessions. FRM and Vigilance units have continued to identify process gaps, (if any), in respect of fraud risks and provided recommendations for fraud prevention and detection. The unit has created training and awareness modules on cyber fraud for employees and customers.

COMPLIANCE

The Bank's Compliance unit is independent of business and operation functions. The Compliance function has created procedures and checks to ensure compliance with applicable regulations. In addition to ensuring timely submission of various returns to regulatory and statutory authorities, the Compliance unit 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. Within the Compliance function, a separate unit for Compliance Monitoring and Testing has been created to carry out compliance testing on an ongoing basis. This unit also provides compliance risk assessment to various units / functions..

HUMAN RESOURCES (HR)

The Bank believes that employees are the driving force for business growth, branding, and customer satisfaction. Employees are an invaluable asset who deliver sustainable performance and shareholder value.

During Covid-19 second and third wave, the Bank made systematic efforts to ensure health and safety of employees while ensuring continuity of business operations. Several activities were carried out digitally to maintain social distance and reduce crowding.

The Bank's HR is built on four pillars.

Build

After the end of Covid-19 second wave, the Bank revved up its growth engines which required HR to step up hiring. By the end of FY 2022, the Bank's headcount was 8,077 (as compared to 6,432 by end of FY 2021).

Prioritising internal talent for elevation has always been our motto. This year we have been able to provide growth opportunities within the Bank to 470 employees vis-a-vis 239 employees last year.

The Bank continued its flagship B-school competition that has been recognized as one of the best practices in the industry. The Bank scaled up "The Top Recruit" program and campus engagement initiatives across various regions, covering around 8,075 participants from 200 B- Schools in cities like Delhi, Mumbai, Pune and smaller towns in India.

The Bank launched many digital applications for assisting employees during FY 2022.

The Bank has vastly improved its Social Media presence and it is noteworthy to mention that the Bank has over 2.74 lakh followers as compared to 1.61 Lakh followers in the previous year on Linked In, which is a major source of employer branding and attracting talent

Develop

The Bank continued to provide training through classroom and online / e-learning to employees covering key compliance modules like Ethics, POSH, Gender Sensitization, Code of Conduct, Capacity Development and AML/ KYC.

- During the year Bank employees completed over 253,670 hours of e learning.
- "Olympiad" a quiz covering products, processes and compliance was initiated in FY 2022 to continuously strengthen the culture of compliance. Initiatives such as "Project Prayas" and "Project First Time Right" helped employees to build on their learning and help them to appreciate / address risk issues proactively.

- Masterclass on Leadership sessions, ABCT – Anybody Can Train, Skill Pill and DCB Podcast continued to be digital interventions where senior management and employees shared their insights on a variety of subjects with a large section of employees.
- Signature interventions like RISE and ASPIRE are running for over 9 years. These programs have helped create a talent pool to take up leadership roles within the organization.
- Capacity Development initiatives through internal and external certification especially in the areas of risk management and credit covered more than 90% of the eligible population. Cyber security programs were conducted for senior management employees with IDRBT.
- Women Leadership training opportunity in partnership with XLRI Jamshedpur was provided to women leaders from select units to equip them for leadership roles.
- One of the Bank's flagship initiatives SPEAK (employee satisfaction survey for supervisors) recorded participation of 100%.
- Talent Management and Succession Planning with several initiatives such as 360-degree feedback and individual development plans were implemented

Care

- The Bank conducted special programs for supervisors to be aware of and report instances of potential mental wellbeing issues amongst teammates to provide timely assistance wherever needed.
- During Covid-19 pandemic, emotional well-being assumed greater importance for which wellness sessions were organized for employees under our Employee Assistance Program wherein external professional assistance was provided.
- Covid-19 vaccination drives were conducted pan India for employees and their immediate family members
- 7 Days additional Covid-19 recovery leave was provided to employees who were affected.
- Doctor on Call services were made available for employees and their family members

Engage

- The Bank has a regional recognition program called "DCB Spotlight" for felicitating top performers in different regions. In FY 2022, in the presence of over 2,000 virtual audience, the Bank recognized more than 500 employees.
- The Bank's quarterly newsletter, "High Decibel" is a communication channel where employees contribute articles of personal experience and professional achievements. The same is also used for communicating the latest updates, events, and happenings in the Bank.
- "Hour HR" (live radio show which is an Industry recognized program) a unique communication platform for our employees to interact with the HR team and seniors directly.
- Signature employee connect program" Each One Reach One(EORO) helped employees to rate their satisfaction with respect to Job, supervisor, work environment. A similar survey for Supervisor helped gather feedback with reference top helpfulness, care, development and approachability.
- The Bank launched a "Women@DCB BANK" series where our senior female leaders spoke of their secrets to success

Corporate Social Responsibility (CSR)

The Bank's CSR thrust areas are Water, Waste Management, Renewable Energy, Recycling, Supporting Tech Incubators, Preserve Archaeological and Historic Sites, and Disaster Relief. CSR and HR team work together to engage employees in tree plantation, habitat restoration, clean-up of parks, lakes, beaches, and water bodies. In FY 2022, despite Covid-19 disruptions, wherever possible, within Covid-19 guidelines, the Bank engaged large number of employees in CSR activities.

CUSTOMER SERVICE

Delighting customer in every interaction is the core aim of the Bank. On a regular basis, customer complaints and satisfaction levels are monitored by the Managing Director & Chief Executive Officer along with the Senior Management team. The Bank has constituted an independent "Service Excellence" team to analyse customer complaints, identify root cause for service issues, make process improvements and work with the various businesses and functions to continuously enhance service levels. The Bank has an "Integrated Centralised Complaint Management" system and standards to ensure that customer queries and complaints addressed 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 many 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 periodically conducts review of progress on six pillars with key stakeholders, 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 Bank has constituted three committees at different levels to monitor customer service - Branch Level Customer Service Committees (BLCSCs), Standing Committee on Customer Service (SCCS), and Customer Service Committee of the Board (CSCB). The Bank on a regular basis , through various means educates its customers to be vigilant on the rising incidents of cyber crimes.

MARKETING/BRAND AWARENESS

In FY 2022, despite lockdown and restrictions in the first half, the Bank continuously took numerous measures to create brand awareness and improve visibility for its products and services. Throughout the year, engagement programs were conducted for DCB Savings Accounts and DCB Gold Loans in print, outdoor and digital media. One of the major FMCG type marketing initiative was the mobile vans campaign for DCB Gold Loans in the branch neighbourhood areas. Across India, external and internal branding along with customised marketing programs / campaigns were successfully executed to engage both customers and employees. Customer friendly awareness videos in regional languages were created and circulated in digital channels for DCB Gold Loan and DCB KCC Loans. A separate video was created to promote the interest rate benefits of DCB Savings Account. DCB Remit was promoted actively on digital media channels throughout the year. A concept book 'My Finances' was created for customers and prospects wherein a record of financial and investment details can be created for reference. The Bank actively and continuously posted interesting information in the social media of the Bank.

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 pro forma 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; however, the Bank continues to submit to the RBI pro forma financials on half yearly basis.

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 at the following link:https://www.dcbbank.com/pdfs/Policy-on-Related-Party-Transactions-2019-20.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_2021-22.pdf

CORPORATE SOCIAL RESPONSIBILITY (CSR)

1. **Brief outline on CSR Policy of the Company.**

   CSR Activities shall mean all the Corporate Social Responsibility activities / programs / initiatives of the Bank, either ongoing or new, dealing with the activities mentioned in its thrust areas. The activities shall conform to those specified in Schedule VII to the Companies Act, 2013, (the Act), as amended from time to time and as recommended by the CSR Committee and approved by the Board of the Bank.

The thrust areas or activities ascribed to them are defined in the Policy, as amended by the Board, from time to time, which are given below

a) Conservation of water / water storage / water usage / protecting water bodies

b) Waste Management

c) Recycling

d) Promote waste-to-energy

e) Promote start-ups

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

g) Support Disaster Relief

2. Composition of CSR Committee:

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

* Designated as the Chairperson of the Committee w.e.f September 15, 2021.

** Inducted as the Member of the Committee w.e.f. September 15, 2021.

*** Ceased to be the Chairperson of the Committe w.e.f. August 18, 2021 due to his retirement.

3. Provide the web-link where composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Bank.

https://www.dcbbank.com/pdfs/DCB-Bank-CSR-Policy-version-03-16-July-2019.pdf > Policies

https://www.dcbbank.com/board-of-directors > Composition of CSR Committee and

https://csr.dcbbank.com/ > Projects undertaken

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

Not Applicable

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	FY 2020-21	Not Applicable	0.01 Crore
2	FY 2021-22	0.01 Crore	0.06 Crore
	Total	**0.01 Crore**	**0.07 Crore**

6. Average net profit of the Bank as per section 135(5) of the Act: **₹480.08 crore**

7. (a) Two percent of average net profit of the company as per above section: **₹9.60 crore**

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **₹0.01 crore**

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

   (d) Total CSR obligation for the financial year (7a+7b-7c): **₹ 9.60 crore**

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

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

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

DCB BANK CSR PROJECTS FY 2021-22

Sr. No.	Name of the project	Item from the list of activities in Schedule VII	Local Area (Y/N)	Location of the project (District/State)		Amount (in ₹)	Mode of implementation	Mode of implementation (name of Agency)	CSR Registration Number
				District	State		(Direct) Y/N		
1	Information Communication & Education for rainwater water harvesting & livelihood enhancement projects	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	Y	Mumbai & Guntur	Maharashtra & Andhra Pradesh	303,500	Y	Business India Pvt. Ltd & Eleventh Hermit	Direct
2	Sustainable Livelihood Improvement Project (LIP) through Integrated Watershed Management	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	Y	Cuttack	Odisha	10,704,916	N	Concern India Foundation	CSR00000898
3	Tree plantation – regenerate tree cover, create sustainable income stream for hamlets devasted by Cyclone Amphan 2020. 10,000 tree saplings of indigenous, stress tolerant species	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	Y	South 24 Parganas	West Bengal	3,812,568	N	Concern India Foundation	CSR00000898
4	Promoting coastal ecosystem sustainable livelihood for communities near mangroves in Uttara Kannada	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	Y	Uttara Kannada	Karnataka	1,192,500	N	Concern India Foundation	CSR00000898

Sr. No.	Name of the project	Item from the list of activities in Schedule VII	Local Area (Y/N)	Location of the project (District/State)		Amount (in ₹)	Mode of implementation	Mode of implementation (name of Agency)	CSR Registration Number
				District	State		(Direct) Y/N		
5	Plantation of fruit trees & fencing, for sustainable livelihood of rural women Self Help Group (SHG)	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	Y	Cuttack	Odisha	686,713	N	Concern India Foundation	CSR00000898
6	Tree plantation for urban lake revival	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	Y	Bengaluru	Karnataka	210,000	N	Concern India Foundation	CSR00000898
7	Information, Communication, Awareness on sustainability issues of communities	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	Y	Across India	Across India	957,500	Y	Content India Services Pvt. Ltd.	Direct
8	DCB Social CSR Volunteers	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	Y	Across India	Across India	1,157,300	Y	Direct	Direct
9	Information & awareness, CSR Journal Excellence Award	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	Y	Mumbai	Maharashtra	15,000	Y	Direct	Direct
10	Information & awareness Asian Customer Engagement Forum Awards - CSR Sustainability Project	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	Y	Mumbai	Maharashtra	10,000	Y	Direct	Direct

Sr. No.	Name of the project	Item from the list of activities in Schedule VII	Local Area (Y/N)	Location of the project (District/State)		Amount (in ₹)	Mode of implementation	Mode of implementation (name of Agency)	CSR Registration Number
				District	State		(Direct) Y/N		
11	Installation of Waterless Urinals	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	Y	Visakhapat-nam	Andhra Pradesh	484,390	Y	Ekam Eco Solutions Pvt. Ltd.	Direct
12	Installation of Waterless Urinals	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	Y	Ahmedabad	Gujarat	384,995	Y	Ekam Eco Solutions Pvt. Ltd.	Direct
13	Installation of Waterless Urinals	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	Y	Nilgiris	Tamil Nadu	246,326	Y	Ekam Eco Solutions Pvt. Ltd.	Direct
14	Installation of Waterless Urinals	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	Y	Vadodara	Gujarat	167,485	Y	Ekam Eco Solutions Pvt. Ltd.	Direct
15	Installation of Waterless Urinals	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	Y	Mumbai	Maharashtra	139,625	Y	Ekam Eco Solutions Pvt. Ltd.	Direct
16	Installation of Waterless Urinals	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	Y	Porbandar	Gujarat	133,780	Y	Ekam Eco Solutions Pvt. Ltd.	Direct

Sr. No.	Name of the project	Item from the list of activities in Schedule VII	Local Area (Y/N)	Location of the project (District/State)		Amount (in ₹)	Mode of implementation	Mode of implementation (name of Agency)	CSR Registration Number
				District	State		(Direct) Y/N		
17	Installation of Waterless Urinals	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	Y	New Delhi	Delhi	117,854	Y	Ekam Eco Solutions Pvt. Ltd.	Direct
18	Installation of Waterless Urinals	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	Y	Fatehgarh	Punjab	115,803	Y	Ekam Eco Solutions Pvt. Ltd.	Direct
19	PPE, gloves, sanitisers, masks, head covers, personal safety & hygiene items, etc. Consumables for treatment of Covid-19 patients, hospital staff, doctors, etc.	Covid-19 disaster management, including relief, rehabilitation activities.	Y	Mumbai	Maharashtra	227,354	Y	Elpee Pvt. Ltd	Direct
20	Tree Plantation	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	Y	Bengaluru	Karnataka	339,090	N	ENSYDE Foundation	CSR00002246
21	Urban forest plantation 36,000 native trees by the Miyawaki method	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	Y	Thane	Maharashtra	14,400,000	N	Green Yatra Trust	CSR00000236
22	Urban forest plantations with 60,000 native trees using Miyawaki method	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	Y	Delhi, Mumbai, Pune & Thane	Delhi & Maharashtra	14,250,000	N	Green Yatra Trust	CSR00000236

Sr. No.	Name of the project	Item from the list of activities in Schedule VII	Local Area (Y/N)	Location of the project (District/State)		Amount (in ₹)	Mode of implementation	Mode of implementation (name of Agency)	CSR Registration Number
				District	State		(Direct) Y/N		
23	Sustainable livelihood fruit trees plantation using the Miyawaki method	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	Y	Rajsamand	Rajasthan	911,110	N	Green Yatra Trust	CSR00000236
24	PPE, gloves, sanitisers, masks, head covers, personal safety & hygiene items, etc. Consumables for treatment of Covid-19 patients, hospital staff, doctors, etc.	Covid-19 disaster management, including relief, rehabilitation activities.	Y	Mumbai	Maharashtra	469,560	Y	Harmony Pvt. Ltd.	Direct
25	Restoration of Taloja watershed (Kharghar) through community participation	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	Y	Raigad	Maharashtra	2,366,413	N	iNaturewatch Foundation	CSR00003491
26	Urban waterbody protection & rejuvenation of Achari Kunta Lake through community participation.	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	Y	Medchal	Telangana	2,177,341	N	iNaturewatch Foundation	CSR00003491
27	Karnala Bird Sanctuary mobile app. Biodiversity information, communication & awareness	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	Y	Raigad	Maharashtra	350,487	N	iNaturewatch Foundation	CSR00003491
28	Pollinator species rejuvenation to benefit farming & horticulture via butterfly observatory	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	Y	Palghar	Maharashtra	150,000	N	iNaturewatch Foundation	CSR00003491

Sr. No.	Name of the project	Item from the list of activities in Schedule VII	Local Area (Y/N)	Location of the project (District/State)		Amount (in ₹)	Mode of implementation	Mode of implementation (name of Agency)	CSR Registration Number
				District	State		(Direct) Y/N		
29	Protection of wildlife corridor by reforestation and alternative livelihood improvement programmes around Panna Tiger Reserve	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	Y	Panna	Madhya Pradesh	1,191,228	N	Last Wilderness Foundation	CSR00006952
30	PPE, gloves, sanitisers, masks, head covers, personal safety & hygiene items, etc. Consumables for treatment of Covid-19 patients, hospital staff, doctors, etc.	Covid-19 disaster management, including relief, rehabilitation activities.	Y	Mumbai	Maharashtra	307,125	Y	Om Sai Pvt. Ltd	Direct
31	Trees for tribals, plantation for sustainable livelihood & carbon sequestration	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	Y	East Singhbum	Jharkhand	5,000,000	Y	Pangea EcoNet Asset Pvt. Ltd.	Direct
32	Tree plantation for livelihood creation for the Irula tribe	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	Y	Viluppuram	Tamil Nadu	2,125,000	Y	Pangea EcoNet Asset Pvt. Ltd.	Direct
33	PPE, gloves, sanitisers, masks, head covers, personal safety & hygiene items, etc. Consumables for treatment of Covid-19 patients, hospital staff, doctors, etc.	Covid-19 disaster management, including relief, rehabilitation activities.	Y	Mumbai	Maharashtra	2,363	Y	Prerana Pvt. Ltd.	Direct

Sr. No.	Name of the project	Item from the list of activities in Schedule VII	Local Area (Y/N)	Location of the project (District/State)		Amount (in ₹)	Mode of implementation	Mode of implementation (name of Agency)	CSR Registration Number
				District	State		(Direct) Y/N		
34	PPE, gloves, sanitisers, masks, head covers, personal safety & hygiene items, etc. Consumables for treatment of Covid-19 patients, hospital staff, doctors, etc.	Covid-19 disaster management, including relief, rehabilitation activities.	Y	Mumbai	Maharashtra	17,603,577	N	Prince Aly Khan Hospital	CSR00005415
35	PPE, gloves, sanitisers, masks, head covers, personal safety & hygiene items, etc. Consumables for treatment of Covid-19 patients, hospital staff, doctors, etc.	Covid-19 disaster management, including relief, rehabilitation activities.	Y	Mumbai	Maharashtra	102,816	Y	Roopam Pvt. Ltd.	Direct
36	Go Green Campaign, multi-city tree plantation project A	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	Y	Across India	Across India	487,500	N	Sankalp Taru Foundation	CSR00000590
37	Go Green Campaign, multi-city tree plantation project B	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	Y	Across India	Across India	315,000	N	Sankalp Taru Foundation	CSR00000590
38	Waste management bio digesters to reduce greenhouse gas methane with bio-gas for households	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	Y	Adilabad	Telangana	3,975,000	N	SKG Sangha	CSR00005648
39	Jal Vikas - groundwater development for sustainable farming	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	Y	Morena	Madhya Pradesh	4,759,255	N	SM Sehgal Foundation	CSR00000262

Sr. No.	Name of the project	Item from the list of activities in Schedule VII	Local Area (Y/N)	Location of the project (District/State)		Amount (in ₹)	Mode of implementation	Mode of implementation (name of Agency)	CSR Registration Number
				District	State		(Direct) Y/N		
40	Jal Sanrakshan II - groundwater development & rainwater catchment for sustainable livelihoods	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	Y	Aurangabad	Maharashtra	1,530,452	N	SM Sehgal Foundation	CSR00000262
41	Jal Jeevan - groundwater development for sustainable livelihoods of forest communities around Panna Tiger Reserve	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	Y	Panna	Madhya Pradesh	148,050	N	SM Sehgal Foundation	CSR00000262
42	Green Mile - dry waste plastic recycling & wet waste management for organic fertiliser	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	Y	Darjeeling	West Bengal	1,272,494	Y	Tieedi Permaculture Foundation	Direct
43	Improving Tribal Livelihoods through Beekeeping with Indigenous bees (Apis cerana indica and Trigona)	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	Y	Tapi & Chhindwara	Gujarat & Madhya Pradesh	921,640	N	Under The Mango Tree Society	CSR00002463
.44	Conservation of Indus River Dolphin in the Beas Conservation Reserve and Harike Wildlife Sanctuary	Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	Y	Taran Taran	Punjab	350,000	N	World Wide Fund for Nature India	CSR00000257
Total						**96,573,110**			

(d) Amount spent in Administrative Overheads: **NIL**

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **₹9.66 crore**

(g) Excess amount for set off, if any: **₹0.06 crore**

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	9.60 crore
(ii)	Total amount spent for the Financial Year	9.66 crore
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0.06 crore
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.01 crore
(v)	Amount available for set off in succeeding financial years [(iii)+(iv)]	0.07 crore

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

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

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

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

Sd/-
Mr. Murali M. Natrajan
Managing Director & CEO

Sd/-
Ms. Rupa Devi Singh
Chairperson-Corporate Social Responsibility 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, Economy, Accountancy and Audit, Finance etc.
- All Directors shall abide by the Code of Conduct.
- Directors shall not attract any disqualification and shall be persons of sound integrity and honesty, apart from knowledge, experience, etc. in their respective fields

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

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

PARTICULARS OF EMPLOYEES

The Bank had 8077 employees as on March 31, 2022. 10 employees employed throughout the year were in receipt of aggregate remuneration of not less than Rs.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, 2022 and such other details as prescribed are as given below:

Name	Ratio
Mr. Nasser Munjee (Chairman till 18-08-2021)	2.3:1
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:

Name	Ratio
Mr. Nasser Munjee (Chairman till 18-08-2021)	0%
Mr. Murali M Natrajan (Managing Director& CEO)	0%
Mr. Bharat Laxmidas Sampat (Chief Financial Officer)	7%
Ms. Rubi Chaturvedi (Company Secretary)	25%

c) The percentage increase in the median remuneration of employees in the financial year: 0%

d) The number of permanent employees on the rolls of Bank: 8029

e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year ended March 31, 2022 and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration: Average increase in remuneration is 7.83 % for employees other than Managerial Personnel & 4.42 % for Managerial Personnel (KMP and Senior Management). There are no exceptional circumstances for increase in the managerial remuneration.

f) If remuneration is as per the Compensation Policy of the Bank: Yes

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

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

ESTABLISHMENT OF VIGIL MECHANISM

The Bank has in place a vigil mechanism pursuant to which a Whistle Blower Policy has been in vogue for the last several years. The policy was last reviewed in FY 2021-22. This Policy, inter alia, provides a direct access to a Whistle Blower to the Chief of Internal Vigilance (CIV) and a dedicated e-mail id for this purpose is in place whistlblower@dcbbank.com having direct access to CIV and Chairman of the Audit Committee of the Board (ACB).

Chairman of the ACB also has dedicated email-ID cacb@dcbbank.com for getting complaint directly. 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 during the year.

THE DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Bank has designed and implemented a process driven framework for Internal Financial Controls ("IFC") within the meaning of the explanation to Section134 (5)(e) of the Companies Act, 2013. For the year ended March 31, 2022, 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, 2022. 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, 2022 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, 2022; 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, 2022.

COPY OF THE ANNUAL RETURN

A copy of the Annual Return as of March 31, 2022 pursuant to the sub-section (3) of Section 92 of the Companies Act, 2013 read with Rule 11(1) of the Companies (Management and Administration) Rules, 2014 and forming part of this Report is placed on the website of the Bank as per provisions of Section134(3)(a) and is available at the following link:

https://www.dcbbank.com/cms/showpage/page/about-uscorporate-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 M/s S. N. Ananthasubramanian & Co, Practicing Company Secretaries, regarding compliance with the conditions of Corporate Governance as stipulated in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report.

DIRECTORS

During FY 2022, Mr. Tarun Balram and Mr. Thiyagarajan Kumar, Independent Directors were appointed as the Additional Directors of the Bank with effect from January 24, 2022 and February 10, 2022 respectively. The Shareholders had approved their appointment as Independent Directors through Postal Ballot concluded on March 22, 2022.

Mr. Iqbal Khan (DIN-07870063) is liable to retire by rotation and being eligible, has offered him for re-appointment.

Mr. Nasser Munjee (DIN 00010180), Non-Executive Part Time Chairman of the Bank has retired as Director and the Non-Executive Part Time Chairman of the Bank on August 18, 2021 on completion of the tenure approved by the Reserve Bank of India.

The Board of Directors of the Bank at its Meeting held on January 14, 2022 appointed Ms. Rupa Devi Singh (DIN 02191943), Independent Director, as the Non-Executive (Part-Time) Chairperson of the Bank, subject to approval of the Reserve Bank of India (RBI) and shareholders. The RBI approval is still awaited. The Shareholders approval will be sought thereafter.

The Board of Directors on April 7, 2022 had taken on record the approval of the Reserve Bank of India vide letter Ref. DOR.GOV.No.S4841/29.03.001/2021-22 dated March 30, 2022 approving re-appointment of Mr. Murali M. Natrajan as the MD & CEO of the Bank for a period of two year from April 29, 2022 till April 28, 2024. The Board of Directors of the Bank recommends his re-appointment at the ensuing AGM for approval of Shareholders.

A brief resume relating to the persons who are to be re-appointed as Director for approval of Shareholders and Managing Director & CEO, are furnished in the notice of the 27th AGM. and Corporate Governance Report Based on the disclosures provided by them, none of the above mentioned persons is disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. The Certificate dated May 7, 2022 issued by M/s. Ananthasubramanian & Co., Practicing Company Secretaries in this regard is attached to and forming part of this report.

In the opinion of the Board of Directors, all the above mentioned Directors being re-appointed during the year, possess the required integrity, expertise and experience.

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

CHANGE IN KEY MANAGERIAL PERSONNEL

There was no change in the Key Managerial Personnel of the Bank during the year ended March 31, 2022

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

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

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

The Committee review focused on the composition, adequacy of terms of reference of various committees,

frequency of meetings etc.

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

The findings of the exercise were discussed in the meetings of Independent Directors, Nomination and Remuneration Committee and the Board. The appropriate feedback was conveyed to each Director. The Board was satisfied with the performance of each Member, the Board and various Committees. Since Mr. Tarun Balram and Mr. T. Kumar joined the Board in last quarter, they did not participate in the evaluation exercise..

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

https://www.dcbbank.com/upload/pdf/Familarisation-Programme-for-Independent-Directors.pdf

STATUTORY AUDITORS

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

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

SECRETARIAL AUDIT REPORT

Pursuant to the requirements of the Companies Act, 2013, the Bank has appointed M/s. Ananthasubramanian & Co., Practicing Company Secretaries (COP 1774) as the Secretarial Auditor for FY 2021-22 and their report is attached separately to this Report.

ACKNOWLEDGEMENTS

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

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

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

On behalf of the Board of Directors

SD/-	SD/-
Murali M. Natrajan	**Mr. Somasundaram PR**
MD & CEO	Independent Director

Place: Mumbai
Date: May 7, 2022

Annexure-II to Directors' Report

[Details of the Employee Stock Option Scheme (ESOS) as of March 31, 2022 pursuant to the requirements under Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]

- 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 changed term of the ESOS on August 13, 2021 (within the approval granted by Shareholders).
- The ESOS is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

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 for the Options granted till December 31, 2020 and 33.33% at the end of 1st year, 33.33% at the end of 2nd year and 33.34% at the end of 3rd year for the Options granted on or after January 1, 2021, 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 for the Options granted till December 31, 2020 and 33.33% at the end of 1st year, 33.33% at the end of 2nd year and 33.34% at the end of 3rd year for the Options granted on or after January 1, 2021, 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.

Description	Sub- Plans I (MANCO)	Sub-Plan II (Non-MANCO)
(e) Maximum term of options granted	Vesting would be within 5 years from the date of grant and shall be exercised within 10 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 10 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	As given below	As given below

Summary of the changes made in the existing ESOP Plan of the Bank, within the framework of the terms approved previously by the Board/ Shareholders:

Clause No.	Description	Term before the change	Changed Term
21.1	Exercise of vested Options in case of termination due to resignation	Vested options to be exercised within 180 (One hundred eighty) days from the date of termination or expiry of original Exercise Period whichever is early	Vested options to be exercised within nine months from the date of termination or expiry of original Exercise Period whichever is early
21.2	Exercise of vested Options in case of termination due to retirement	Vested options to be exercised within 180 (One hundred eighty) days from the date of Retirement or expiry of original Exercise Period whichever is early. All the unvested Options granted till December 31, 2020 shall vest immediately on the date of retirement.	Vested options to be exercised within 18 (eighteen) months from the date of Retirement or expiry of original Exercise Period whichever is early. All the unvested Options granted till December 31, 2020 shall vest immediately on the date of retirement.
21.2(a)	Exercise of vested Options in case of termination due to retirement and Vesting of Unvested Options a	All the unvested Options granted till December 31, 2020 shall vest immediately on the date of retirement and to be exercised within 180 (One hundred eighty) days from the date of Retirement or expiry of original Exercise Period whichever is early. All the unvested Options which were granted on or after January 1, 2021, should continue to vest after retirement as per the original Vesting Schedule as outlined in the relevant Offer and to be exercised within 180 days from the date of Retirement	All the unvested Options granted till December 31, 2020 shall vest immediately on the date of retirement and to be exercised within 18 (eighteen) months from the date of Retirement or expiry of original Exercise Period whichever is early. All the unvested Options which were granted on or after January 1, 2021, should continue to vest after retirement as per the original Vesting Schedule as outlined in the relevant Offer and to be exercised within 18 (eighteen) months from the respective dates of the Vesting.

Clause No.	Description	Term before the change	Changed Term
21.3(a)	Vesting and Exercise of vested Options on termination due to Permanent Disability of the Grantee	All the unvested Options will vest immediately on the date of permanent disability. The Vested Options shall be permitted to be exercised within 180(One hundred eighty days) from the date of such permanent disability or before the expiry of the original exercise period whichever is early.	All the unvested Options will vest immediately on the date of permanent disability. The Vested Options shall be permitted to be exercised within 18 (eighteen) months from the date of such permanent disability or before the expiry of the original exercise period whichever is early
21.3(b)	Vesting and Exercise of vested Options on death of the Grantee	All the Vested Options may be exercised by Nominee or by Legal Heir, as the case may be, within 180 (One hundred eighty) days from the date of the death of the participant or expiry of the original exercise period whichever is early. All unvested options will also vest on the date of death and will be exercised in the same manner.	All the Vested Options may be exercised by Nominee or by Legal Heir, as the case may be, within 18 (eighteen) months from the date of the death of the participant or expiry of the original exercise period whichever is early. All unvested options will also vest on the date of death and will be exercised in the same manner.
Sub Plan I and II Point no.5	Exercise period and the process of exercise	In the event, the Participant resigns or retires, all vested Options shall be exercised by such Participant no later than 180 (One hundred eighty) days from the date of such resignation /retirement or expiry of the original exercise period, whichever is early.	In the event, the Participant resigns, all vested Options shall be exercised by such Participant within 9 (Nine) months from the date of such resignation or expiry of the original exercise period, whichever is early In the event, the Participant retires, all the vested Options shall be exercised by such Participant within 18 (Eighteen) months from the date of such retirement or relevant vesting or expiry of the original exercise period, whichever is early

(ii) Method used to account for ESOS - Intrinsic value method up to March 31, 2021 and Fair Value method after March 31, 2021.

(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 ₹ 1.27 crore. Consequently profit after tax would have been lower by that extent. The basic EPS of the Bank would have been ₹ 9.21 per share and the Diluted EPS would have been ₹ 9.15 per share.

(iv) Option movement during the year:

Particulars	Details
Number of options outstanding at the beginning of the period	8,275,840
Number of options granted during the year	1,031,524
Number of options forfeited / lapsed during the year	215,400
Number of options vested during the year	401,700
Number of options exercised during the year	440,350
Number of shares arising as a result of exercise of Options	440,350
Money realized by exercise of options (INR){if scheme is implemented directly by the Bank}	23,219,927.50

Loan repaid by the Trust during the year from exercise price received	Not Applicable
Number of options outstanding at the end of the year	8,651,614
Number of options exercisable at the end of the year	6,077,590

(v) The Weighted-average exercise price of the Options granted during the year is ₹ 86.45 and the weighted-average fair value is ₹ 33.49.

(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

Sr. No.	Name of the employee and their Designation	Options Granted	Exercise Price(₹) per Option
1	AJIT SINGH EVP-Head Treasury and FIG	83,980	86.45
2	Abhijit Bose President and Chief Credit Officer	117,785	86.45
3	Bharat Laxmidas Sampat President and Chief Financial Officer	162,933	86.45
4	Jayaraman Vishwanath President and Head-Corporate and SME Banking	137,929	86.45
5	Narendranath Mishra EVP and Head Agri and Inclusive Banking	84,831	86.45
6	Praveen Achuthan Kutty President and Head- Retail Banking	214,150	86.45
7	R Venkattesh President and Head- IT, HR, Operations & CIO	183,021	86.45
8	Sridhar Seshadri President and Chief Risk Officer	46,895	86.45

(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	None
(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- ₹ 86.45 (ii) weighted-average exercise price- ₹ 86.45 (iii) expected volatility- 38.85% to 41.32% (iv) expected option life- 3.77 to. 5.77 years (v) expected dividends- 1.16% (vi) risk-free interest rate- 5.47% to 6.15%
(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, 2022.

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 Board elected Non-Executive (Part-time) Chairperson (subject to approval of RBI and Shareholders), a Managing Director & Chief Executive Officer (MD & CEO), and nine (9) other Directors on its Board.

Except for the Directors Mr. Shaffiq Dharamshi, Mr. Iqbal Khan and the MD & CEO Mr. Murali M. Natrajan, all the other 8 Directors are 'Independent'. As against the requirement of the Listing Regulations for the number of Independent Directors to be more than 1/3rd of the total number of Directors, your Board has 72.72% of its Directors in the 'Independent' category which also includes a 'Woman Independent Director'. The day-to-day management of the Bank is entrusted to the Senior Managerial team under the leadership of the MD & CEO who operates under the superintendence, direction and control of the Board. The Board reviews and approves strategy and oversees the actions and performance of the management periodically for enhancing the Stakeholders' value.

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

All the Directors of the Bank and their relatives together hold total 2,402,945 Equity Shares of the Bank (0.77% of Capital) i.e. less than 2% of the Equity Share Shares of the Bank as on March 31, 2022.

COMPOSITION OF THE BOARD OF DIRECTORS AS ON MARCH 31, 2022

Ms. Rupa Devi Singh is the Chairperson of the Bank w.e.f. January 14, 2022 (subject to approval of RBI and Shareholders). She is an Independent Director of the Bank since January 22, 2015. She was the founder MD & CEO of Power Exchange India Ltd (PXIL), a nationwide Exchange for electricity trading, promoted by NSE & NCDEX. 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 the Boards of a few companies in the energy sector, both conventional and renewable generation as well as coal. Ms. Singh is a graduate in science and 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, 2022.

Mr. Amyn Jassani, an Independent Director of the Bank, is a Fellow member of the Institute of Chartered Accountants of India with more than 30 years of experience, mainly with the big four accounting firms. He is also a member of the Institute of Company Secretaries of India and has passed the Certified Information System Auditor's (CISA) examination.

Mr. Amyn Jassani holds 100 Equity Shares in the Bank as on March 31, 2022.

Mr. Ashok Barat, an Independent Director, is a Fellow of the Institute of Chartered Accountants of India and of the

Institute of Company Secretaries of India, Associate of the Institute of Chartered Accountants of England & Wales and CPA, Australia. He has held responsible and senior leadership positions in various Indian and multinational organizations, both in India and overseas. He is on the Board of several other companies and advises businesses on governance, performance and strategy.

Mr. Ashok Barat is a Past President of the Bombay Chamber of Commerce and Industry, and of the Council of EU Chambers of Commerce in India; presently a member of the Managing Committee of ASSOCHAM. He is a Certified Mediator empanelled with the Ministry of Corporate Affairs, Government of India. He is a regular speaker at public forums particularly supporting family businesses, start-ups and SMEs from overseas looking at establishing and growing their business footprint in India

Mr. Ashok Barat does not hold any Equity Shares in the Bank as on March 31, 2022.

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

Mr. Iqbal Khan does not hold any Equity Shares in the Bank as on March 31, 2022

Mr. Rafiq Ramzanali Somani, an Independent Director of the Bank, is B.E in Computer Science with 32 years of experience in Information and Technology field. He is a Master in Marketing Management. Currently he is a Director at ANSYS Software Pvt. Ltd.

Mr. Rafiq Ramzanali Somani holds 1,238 Equity Shares in the Bank as on March 31, 2022.

Mr. Shabbir Merchant, an Independent Director of the Bank, holds a Masters in Personnel Management with more than 31 years of experience. He is the founder of Valulead Consulting, a leadership consulting firm. His firm partners with clients in Asia & Europe for strategic talent management, leadership development, organization transformation and top team synergy.

Mr. Shabbir Merchant holds 850 Equity Shares in the Bank as on March 31, 2022

Mr. Shaffiq Dharamshi, a Non-Executive Director of the Bank since January 13, 2015, 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, 2022.

Mr. Somasundaram PR, an Independent Director of the Bank, is a Chartered Accountant with over 30 years' experience across Unilever Group companies in India and abroad, Standard Chartered Bank and others. Currently he is the Regional CEO- India of the World Gold Council.

Mr. Somasundaram PR does not hold any Equity Shares in the Bank as on March 31, 2022.

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

Mr. Tarun Balram does not hold any Equity Shares in the Bank as on March 31, 2022.

Mr. Thiyagarajan Kumar is an Independent Director of the Bank w.e.f. February 10, 2022. He is a Business Leader with over 36 years of experience with the Unilever group, Times Group, in the Finance, Commercial, Governance, Audit / Assurance functions. He currently serves in an active leadership role in the Times group as Director, Management Assurance Services. He worked in various capacities including General Manager – Finance, Audit Director with Unilever from October 1986 to Sep 2008.

He is associated as Member of the Governing Council of Loyola Institute of Business Administration (LIBA), Chennai, Secretary, Loyola Alumni Association, Delhi, and the council member of parent Alumni body at Chennai. He was also past president of the Institute of Internal Auditors, India.

He is B. Com, Associate of Institute of Chartered Accountants of India, Associate of Institute of Cost and Works Accountants of India and completed his Post Graduate Diploma in Management Accountancy Course, ICAI.

Mr. Thiyagarajan Kumar does not hold any Equity Shares in the Bank as on March 31, 2022

Mr. Murali M. Natrajan, FCA, Managing Director & Chief Executive Officer of the Bank since April, 2009, has 38 years global experience in financial services. This includes Branch Banking, Mortgages, Credit Cards, Personal Loans, Wealth Management, SME, MSME, Corporate Banking, Agriculture, Operations, Technology, Credit Risk, Re-engineering, Finance, Marketing and Product Management. He has had successful international stints in Singapore, Hong Kong, South Korea and Indonesia. Prior to joining the Bank, Mr. Natrajan worked as Global Head of SME Banking, Standard Chartered Bank and was reporting to the CEO Global Consumer Banking. He was managing 27 countries and in collaboration with country teams was, inter alia, responsible for strategy, product creation, franchise development and portfolio quality. From November, 2004 to June, 2008, he was the Head of Consumer Banking (including SME Banking), India & Nepal, Standard Chartered Bank. He was responsible for Strategy, Business, Credit, Finance, Human Resources, Sales, Service, Operations, Distribution, Marketing, Business Analytics and Projects. In Standard Chartered Bank, he was a member of Global Executive Forum.

In 1984, he started his career in India with American Express, Travel Related Services where he worked for five years. He gained experience in Business Planning,Finance and Operations. He was posted in Hong Kong / Singapore from August, 1987 to February, 1989. In October 1989, he joined Citibank consumer division where he spent 14 years in various departments (Operations, Credit, Risk, Finance, Product, Marketing and Business). Globally, this was the time when consumer banking was taking shape. As Business Manager of Cards, he launched several innovative products – Times Card, Women's Card, Indian Oil Card, Loan-on-Phone and Jet Airways Co-Brand. Loan on Phone later became a global success. He was responsible for the turnaround of Credit Cards business. In the year 2000, Citibank promoted him as Cards Business Director of Hong Kong. Later in July, 2002, he moved to Citibank Indonesia where he managed Cards Business and Consumer Finance. For a brief period in 2002, he worked in Citibank – Consumer Division, South Korea.

Mr. Murali M. Natrajan holds 2,400,000 Equity Shares in the Bank as on March 31, 2022

OTHER LISTED ENTITIES IN WHICH THE BANK'S DIRECTORS ARE DIRECTORS AND CATEGORY OF THEIR DIRECTORSHIP AS ON MARCH 31, 2022

Sr. No.	Name of the Director	Other Listed Entity in which he/she is a Director	Category of Directorship
1	Ms. Rupa Devi Singh	JSW Energy Limited	Independent Director
2	Mr. Murali M. Natrajan	NIL	Not Applicable
3	Mr. Amyn Jassani	NIL	Not Applicable
4	Mr. Ashok Barat	1. Cholamandalam Investment and Finance Company Limited	Independent Director
		2. Alembic Pharmaceuticals Limited	Independent Director
		3. Bata India Limited	Independent Director
		4. Birlasoft Limited	Independent Director
		5. Huhtamaki India Limited	Independent Director
5	Mr. Iqbal Ishak Khan	NIL	Not Applicable
6	Mr. Rafiq Somani	NIL	Not Applicable
7	Mr. Shabbir Merchant	NIL	Not Applicable

Sr. No.	Name of the Director	Other Listed Entity in which he/she is a Director	Category of Directorship
8	Mr. Shaffiq Dharmashi	NIL	Not Applicable
9	Mr. Somasundaram PR	NIL	Not Applicable
10	Mr. Tarun Balram**	NIL	Not Applicable
11	Mr. Thiyagarajan Kumar#	NIL	Not Applicable

** Appointed as an Additional Independent Director w.e.f. January 24, 2022
# Appointed as an Additional Independent Director w.e.f. February 10, 2022

Board Diversity and Expertise

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

Identified Skill	Name of Director(s) having identified skill
(i) Accountancy & Audit	Mr. Ashok Barat
	Mr. Murali M. Natrajan
	Mr. Somasundaram PR
	Mr. Amyn Jassani
	Mr. Shaffiq Dharamshi
	Mr. Thiyagarajan Kumar
(ii) Agriculture and rural economy	Ms. Rupa Devi Singh
	Mr. Rafiq Somani
	Mr. Murali M. Natrajan
(iii)Banking	Mr. Murali M. Natrajan
	Ms. Rupa Devi Singh
	Mr. Somasundaram PR
	Mr. Shaffiq Dharamshi
	Mr. Tarun Balram
	Mr. Thiyagarajan Kumar
(iv) Economics	Mr. Murali M. Natrajan
	Mr. Somasundaram PR
	Mr. Shaffiq Dharamshi
	Mr. Amyn Jassani
	Mr. Thiyagarajan Kumar
(v)Finance	Mr. Murali M. Natrajan
	Mr. Ashok Barat
	Ms. Rupa Devi Singh
	Mr. Amyn Jassani
	Mr. Somasundaram PR
	Mr. Tarun Balram
	Mr. Thiyagarajan Kumar

Identified Skill	Name of Director(s) having identified skill
(vi) Law	Mr. Iqbal Khan
	Ms. Rupa Devi Singh
	Mr. Amyn Jassani
(vii)Small-scale industry	Mr. Murali M. Natrajan
	Ms. Rupa Devi Singh
	Mr. Rafiq Somani
(viii)Information Technology	Mr. Rafiq Somani
	Mr. Murali M. Natrajan
	Mr. Amyn Jassani
(ix) Payment & Settlement Systems	Mr. Murali M. Natrajan
	Mr. Somasundaram PR
	Ms. Rupa Devi Singh
	Mr. Shaffiq Dharamshi
	Mr. Tarun Balram
(x) Human Resources	Mr. Shabbir Merchant
	Mr. Murali M. Natrajan
	Mr. Somasundaram PR
	Ms. Rupa Devi Singh
	Mr. Amyn Jassani
	Mr. Tarun Balram
	Mr. Thiyagarajan Kumar
(xi) Risk Management	Mr. Shaffiq Dharamshi
	Mr. Amyn Jassani
	Mr. Murali M. Natrajan
	Ms. Rupa Devi Singh
	Mr. Tarun Balram
	Mr. Thiyagarajan Kumar

Identified Skill	Name of Director(s) having identified skill
(xii) Business Management	Mr. Murali M. Natrajan
	Ms. Rupa Devi Singh
	Mr. Somasundaram PR
	Mr. Rafiq Somani
	Mr. Ashok Barat
	Mr. Shabbir Merchant
	Mr. Tarun Balram
	Mr. Thiyagarajan Kumar
(xiii) Product Development & Marketing	Mr. Murali M. Natrajan
	Mr. Rafiq Somani
	Mr. Somasundaram PR
	Ms. Rupa Devi Singh
	Mr. Shabbir Merchant

Identified Skill	Name of Director(s) having identified skill
(xiv) Merger & Acquisitions & Strategic Options	Mr. Somasundaram PR
	Mr. Iqbal Khan
	Mr. Ashok Barat
	Ms. Rupa Devi Singh
	Mr. Murali M. Natrajan

Composition of Board of Directors as on March 31, 2022

Sr. No.	Name of Director	Executive / Non-Executive Director	Independent / Non-Independent Director
1	**Chairperson (Part-time)**		
	Ms. Rupa Devi Singh* (w.e.f. January 14, 2022)	Non-Executive Director	Independent Director
2	**Managing Director**		
	Mr. Murali M. Natrajan	Executive Director	Non-Independent Director
3	Mr. Amyn Jassani	Non-Executive Director	Independent Director
4	Mr. Ashok Barat	Non-Executive Director	Independent Director
5	Mr. Iqbal Ishak Khan	Non-Executive Director	Non-Independent Director
6	Mr. Rafiq Somani	Non-Executive Director	Independent Director
7	Mr. Shabbir Merchant	Non-Executive Director	Independent Director
8	Mr. Shaffiq Dharamshi	Non-Executive Director	Non-Independent Director
9	Mr. Somasundaram PR	Non-Executive Director	Independent Director
10	Mr. Tarun Balram	Non-Executive Director	Independent Director
11	Mr. Thiyagarajan Kumar	Non-Executive Director	Independent Director

*Subject to approval of RBI and Shareholders

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

During the year Mr. Nasser Munjee Non-Executive-Part Time Chairman has ceased to be the Director of the Bank on August 18, 2021 after completing the term approved by the Reserve Bank of India as the Chairman of the Bank.

During the year ended March 31, 2022, Fifteen (15) Board Meetings were held on April 19, 2021, May 08, 2021, July 13, 2021, July 31, 2021, August 07, 2021, August 13, 2021, September 15, 2021, October 20, 2021, October 27,2021, October 30,2021, January 14, 2022, January 24,2022,January 29,2022 , February 09, 2022 and March 31, 2022. 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 listed Companies	Directorship of other Companies	Membership of other Listed Companies' Committees #	Chairmanship of other Listed Companies' Committees#
Mr. Nasser Munjee*	6	4	8	2	2
Ms. Rupa Devi Singh@	15	1	4	1	
Mr. Amyn Jassani	15	-	-	-	-
Mr. Ashok Barat	15	5	1	2	3
Mr. Iqbal Khan	11	-	-	-	-
Mr. Rafiq Somani	14	-	1	-	-
Mr. Shabbir Merchant	15	-	-	-	-
Mr. Shaffiq Dharamshi	13	-	6	-	-
Mr. Somasundaram PR	15	-	4	-	-
Mr. Tarun Balram**	03	-	-	-	-
Mr. Thiyagarajan Kumar ***	01	-	-	-	-
Mr. Murali M. Natrajan	15	-	-	-	-

* Retired/Ceased to be Director of Bank w.e.f. August 18, 2021

@ Designated as the Chairperson on January 14, 2022 (subject to approval of RBI and Shareholders)

** Appointed as Additional Independent Director w.e.f. January 24, 2022

*** Appointed as Additional Independent Director w.e.f. February 10, 2022

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

Other than the above 15 Board Meetings, a meeting of Independent Directors was also held on February 25, 2022 as per the requirement and the same was attended by all the Independent Directors in person.

All Directors then on the Board of the Bank attended the last Annual General Meeting held on August 13, 2021.

COMPOSITION OF COMMITTEES OF DIRECTORS AND THEIR ATTENDANCE AT THE MEETINGS AS ON MARCH 31, 2022

Various Committees of Directors have been appointed by the Board for taking informed decisions in the best interest of the Bank. These Committees monitor the activities falling within the irrespective 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. Amyn Jassani, Mr. Shaffiq Dharamshi and Mr. Thiyagarajan Kumar (w.e.f February 10, 2022). 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. Mr. Somasundaram PR ceased to be member of the ACB w.e.f. September 15, 2021. The Audit Committee of the Board was last reconstituted on February 09, 2022 and Mr. Thiyagarajan Kumar was appointed as a member of ACB w.e.f. February 10, 2022.

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

1. 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, reappointment 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 and adequacy of the internal control systems.

7. Any other terms of reference as may be included from time to time in the Listing Regulations.

During the year, the ACB met on fifteen (15) occasions.

CREDIT COMMITTEE OF BOARD (CCB)

The Credit Committee of Board (CCB) comprises of Mr. Somasundaram PR, Ms. Rupa Devi Singh and Mr. Tarun Balram (w.e.f. January 29, 2022). The CCB, inter-alia, looks after sanctioning of loans and advances, approving of One Time Settlements (OTS), etc. Mr. Rafiq Somani ceased to be member of the September 15, 2021. The Committee was last reconstituted on January 29, 2022 adding Mr. Tarun Balram as a member of the CCB.

During the year, the CCB met on fourteen (14) occasions.

RISK MANAGEMENT COMMITTEE OF BOARD (RMC)

Mr. Amyn Jassani chairs the Risk Management Committee of Board (RMC). Other members of the RMC are Mr. Ashok Barat, Mr. Somasundaram PR, Mr. Tarun Balram w.e.f. Janaury 29, 2022) 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 last reconstituted on January 29, 2022 adding Mr. Tarun Balram as a member of the RMC.

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

NOMINATION & REMUNERATION COMMITTEE OF BOARD (NRC)

Mr. Somasundaram PR chairs the NRC w.e.f. January 14, 2022. Other members are Mr. Amyn Jassani, Ms. Rupa Devi Singh, Mr. Shabbir Merchant and Mr. Shaffiq Dharamshi (w.e.f. September 15, 2021) Except Mr. Dharamshi, other four members are Independent Directors and hence the necessary compliance is ensured. The Committee was reconstituted on September 15, 2021 and Mr. Shaffiq Dharamshi and Mr. Somasundaram PR were appointed as Members of NRC. The Committee again reconstituted on January 14, 2022 and Mr. Somasundaram PR was appointed as Chairperson of the NRC and Ms. Rupa Devi Singh was ceased to be Chairperson of NRC however, she continued as member of 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, Key Managerial Personnel of the Bank and other Senior Management team of the Bank, monitoring of the compensation policy of the Bank, etc. Board of Directors wide circular resolution dated February 23, 2022 had approved the criteria for performance evaluation of the Board, including Independent Directors.

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

STAKEHOLDERS' RELATIONSHIP COMMITTEE OF BOARD (SRC)

Mr. Shabbir Merchant chairs the Stakeholders' Relationship Committee of Board (SRC). The other members are Mr. Amyn Jassani and Mr. Rafiq Somani. The SRC monitors redressal of grievances of the security holders including complaints related to transfer/transmission of shares, non-receipt of dividend, non-receipt of annual reports, issue of new/duplicate certificates interest payment on Bonds, etc. The SRC reviews the measures taken for effective exercise of voting rights by Shareholders, adherence to the service standards adopted and the various measures and initiatives taken by the Bank for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the Shareholders. The SRC also takes note of number of transfers processed, issue of fresh share certificates, top Shareholders, pattern of shareholding, etc. During the FY 2021-22, 3 (three) complaints were received and resolved. There was no complaint outstanding as on March 31, 2022. There was no request pending for transmission, deletion, change in name etc. as on March 31, 2022 and subsequently processed in April 2022. 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. Ms. Rupa Devi Singh (w.e.f. September 15, 2021) chairs the FRMC and Mr. Amyn Jassani, Mr. Ashok Barat, Mr. Shabbir Merchant and Mr. Murali M. Natrajan are the other members. The Committee was last reconstituted on September 15, 2021 and Ms. Rupa Devi Singh was appointed as Chairperson of the FRMC and Mr. Ashok Barat was ceased to be Chairperson of FRMC. However, he continues to be the member of FRMC.

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

CUSTOMER SERVICE COMMITTEE OF BOARD (CSC)

Ms. Rupa Devi Singh Chairs the Customer Service Committee of Board. The members of the Customer Service Committee of Board (CSC) are Mr. Amyn Jassani 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)

Ms. Rupa Devi Singh (w.e.f. January 24, 2022) chairs the Capital Raising Committee of Board (CRC). The other members are, Mr. Ashok Barat, Mr. Iqbal Khan, Mr. Somasundaram PR 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. Mr. Nasser Munjee ceased to be member of CRC w.e.f. August 18, 2021, after completing the term approved by the Reserve Bank of India. The Committee was reconstituted on September 15, 2021 and Mr. Somasundaram PR was appointed as Chairperson of the CRC. The Committee further reconstituted on January 24, 2022 and inducted Ms. Rupa Devi as member and Chairperson of the CRC and Mr. Somasundaram PR was ceased to be Chairperson of CRC, however, he continues as member of CRC.

During the year, the CSR Committee had met once.

INFORMATION TECHNOLOGY STRATEGY COMMITTEEOF BOARD (ITSC)

Mr. Rafiq Somani (w.e.f. January 24, 2022) Chairs Information Technology Strategy Committee of Board (ITSC). The other members are Mr. Iqbal Khan and Mr. Murali M. Natrajan (MD & CEO). 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, road map for initiatives, budget and investments to support the Bank's growth strategies in accordance with the Business Plan. The Committee was reconstituted on January 24, 2022 and appointed Mr. Rafiq Somani as Chairperson of the ITSC.

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE OF BOARD (CSRC)

Ms. Rupa Devi Singh chairs the Corporate Social Responsibility Committee of Board (CSRC) w.e.f. September 15, 2021. The other members of the CSR Committee are Mr. Rafiq Somani (inducted w.e.f. September 15, 2021) and Mr. Murali M. Natrajan, MD & CEO.

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 CSC met on four (4) occasions.

WILFUL DEFAULTERS REVIEW COMMITTEE OF BOARD (WDRC)

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

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

SUMMARY OF ATTENDANCE OF DIRECTORS FOR FY 2021-22

Sr. No.	Name of Director	Appointed On	BM	ACB	CCB	CRC	RMC	FRMC	NRC	SRC	CSC	ITSC	CSR	WDRC
	No. of Meetings held		15	15	14	1	4	4	7	4	4	3	4	0
1.	Mr.Nasser Munjee*	June 29, 2005	6	N.M.	N.M.	0	N.M.	N.M.	3	N.M.	N.M.	N.M.	1	N.M.
2.	Ms. Rupa Devi Singh@	January 22, 2015	15	N.M.	14	N.M.	N.M.	4	7	N.M.	4	N.M.	4	N.M.
3.	Mr. Murali M. Natrajan	April 29, 2009	15	N.M.	N.M.	1	4	4	N.M.	N.M.	4	3	4	N.M.
4.	Mr. Amyn Jassani	January 25, 2020	15	15	N.M.	N.M.	4	4	7	4	4	N.M.	N.M.	N.M.
5.	Mr. Ashok Barat	March 22, 2018	15	15	N.M.	1	4	4	N.M.	N.M.	N.M.	N.M.	N.M.	N.M.
6.	Mr. Iqbal Khan	July 15, 2017	11	N.M.	N.M.	0	N.M.	N.M.	N.M.	N.M.	N.M.	2	N.M.	N.M.
7.	Mr. Rafiq Somani	March 09, 2020	14	N.M.	5	N.M.	N.M.	N.M.	N.M.	3	N.M.	3	3	N.M.
8.	Mr. Shabbir Merchant	January 25, 2020	15	N.M.	N.M.	N.M.	N.M.	4	7	4	N.M.	N.M.	N.M.	N.M.
9.	Mr. Shaffiq Dharamshi	January 13, 2015	13	13	N.M.	N.M.	N.M.	N.M.	3	N.M.	N.M.	N.M.	N.M.	N.M.
10.	Mr. Somasundaram PR	January 25, 2020	15	5	14	1	3	N.M.	4	N.M.	N.M.	N.M.	N.M.	N.M.
11.	Mr. Tarun Balram**	January 24, 2022	3	N.M.	3	N.M.	1	N.M.	N.M.	N.M.	N.M.	N.M.	N.M.	N.M.
12.	Mr. Thiyagarajan Kumar***	February 10, 2022	1	1	N.M.	N.M.	N.M.	N.M.	N.M.	N.M.	N.M.	N.M.	N.M.	N.M.

* Retired as Chairperson of Bank w.e.f. August 18, 2021
@ Designated as the Chairperson of the Bank w.e.f. January 14, 2022 (Subject to approval of RBI and the Shareholders)
** Appointed as Director of the Bank w.e.f. January 24, 2022
*** Appointed as Director of the Bank w.e.f. February 10, 2022
N.M. = Not Member
Note: During the year, as per the requirement, a meeting of Independent Directors was also held on February 25, 2022 and the same was attended by all the Independent Directors.

REMUNERATION OF DIRECTORS

Honorarium to Chairman

The Chairman Mr. Nasser Munjee was paid honorarium of ₹9.16 Lakh during the FY 2021-22 as per the RBI approvals vide its letter No.DBOD.ApptNo.961/29.03.001/2017-18 dated July 28, 2017. Mr. Munjee was not paid any sitting fees for attending the meetings of Board/ Committees.

Approval from Reserve Bank of India (RBI) is awaited for appointment of the present Chairperson, Ms. Rupa Devi Singh. She was not paid any remuneration during the FY 2021-22 other than the sitting fees paid to her for attending the meetings of the 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 2021-22 basis RBI approvals vide its letter No. DBR. ApptNo.2977/29.0.3.001/2019-20 dated October 14, 2019 are as follows:

Particulars	Amount (₹)*
Basic	23,990,400
Allowances and Perquisite value	29,199,300
Contribution to Provident Fund	2,878,848
No. of Employee Stock Options granted during the FY 2021-22	0

Perquisites (evaluated as per Income Tax Rules wherever applicable and at actual cost to the Bank otherwise) such as furnished accommodation, gas, electricity, water and furnishing, club fees, personal accident insurance, use of car and telephone at residence, medical reimbursement, leave and leave travel concession were provided in accordance with the policy of the Bank in this regard. The above figures exclude perquisite value of ESOPs exercised, if any, during the Financial Year 2021-22. No sitting fees were paid to him for attending the meetings of the Board and Committees thereof.

Mr. Natrajan has exercised 300,000 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. Amyn Jassani	3,130,000
Mr. Ashok Barat	2,400,000
Mr. Iqbal Khan	770,000
Mr. Rafiq Somani	1,670,000
Ms. Rupa Devi Singh	2,840,000
Mr. Shabbir Merchant	1,750,000
Mr. Tarun Balram	560,000
Mr. Shaffiq Dharamshi*	NIL
Mr. Somasundaram PR*	NIL
Mr. Thiyagarajan Kumar*	NIL
Total	**13,120,000**

*Waived off their sitting fees

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 2021-22.

DECLARATION GIVEN BY INDEPENDENT DIRECTORS

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

GENERAL BODY MEETINGS HELD DURING THE LAST THREE YEARS

Date	Venue	Special Resolutions passed
26th AGM 13.08.2021 at 2.30 p.m.	Video Conferencing / Other Audio Video Visual Means (VC/OAVM)	1. Raising of Funds by issue of bonds / debentures/ securities on Private Placement basis. 2. Increase in borrowing powers. 3. Issue of Equity Shares to Qualified Institutional Buyers through Qualified Institutions Placement
25th AGM 11.07.2020 at 2.30 p.m.	Video Conferencing / Other Audio Video Visual Means (VC/OAVM)	1. Raising of Funds by issue of bonds / debentures/ securities on Private Placement basis. 2. Increase in borrowing powers. 3. Re-appointment of Independent Director Ms. Rupa Devi Singh 4. Issue of Equity Shares to Qualified Institutional Buyers through Qualified Institutions Placement
24th AGM 01.06.2019 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. 4. Re-appointment of Independent Directors Mr. Altaf Jiwani, Mr. Imran Contractor, Mr. S. Sridhar and Mr. C. Narasimhan.

Postal Ballot:

Details of resolutions passed through Postal Ballot:

The Bank sent Postal Ballot notice dated February 9, 2022 to the Members seeking their approval through Postal Ballot for passing the following Special resolutions:

Resolution No. 1: Appointment of Mr. Tarun Balram (DIN: 02445298) as an Independent Director

Resolution No. 2: Appointment of Mr. Thiyagarajan Kumar (DIN: 00735914) as Independent Director.

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

There were total 160,101 shareholders of the Bank as on the record date i.e. February 11, 2022 out of which 625 members comprising of 154,140,554 equity shares representing 49.61 % of the issued share capital participated in the e-voting process. The breakup of the votes is as mentioned below:

Resolution No. 1: Appointment of Mr. Tarun Balram (DIN: 02445298) as an Independent Director

Particulars	Number of valid		Percentage (%)
	Voters (via e-voting)	Votes (via e-voting)	
Assent	577	154,129,370	99.9929
Dissent	47	10,884	0.0071
Total	**624**	**154,140,254**	**100.0000**

The Special Resolution as contained in the Item No. 1 of the Notice of Postal Ballot dated February 9, 2022 was passed with requisite majority.

Resolution No. 2: Appointment of Mr. Thiyagarajan Kumar (DIN: 00735914) as Independent Director.

Particulars	Number of valid		Percentage (%)
	Voters (via e-voting)	Votes (via e-voting)	
Assent	572	154,128,084	99.9919
Dissent	53	12,470	0.0081
Total	**625**	**154,140,554**	**100.0000**

The Special Resolution as contained in the Item No. 2 of the Notice of Postal Ballot dated February 9, 2022 was passed with requisite majority.

No Resolution is proposed to be passed by Postal Ballot in the notice of the proposed Twenty Seventh 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 within the prescribed timeline. The audited annual accounts as at March 31 are approved by the Board, after view thereof by the Audit Committee of the Board. The Annual General Meeting to consider such annual accounts is held within the prescribed timeline.

LIST OF ALL CREDIT RATINGS OBTAINED BY THE BANK

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

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

The Bank has not raised any fund through Preferential Allotment or Qualified Institutions Placement as specified under regulation 32 (7A) of the SEBI (LODR) Regulations, 2015, during the financial year ended March 31, 2022.

SHAREHOLDERS HOLDING 1% AND ABOVE SHARES IN THE BANK AS ON MARCH 31, 2022

Sr. No.	Name	No. of Shares	% To Capital
1	AGA KHAN FUND FOR ECONOMIC DEVELOPMENT SA	43,750,052	14.07
2	HDFC SMALL CAP FUND (All Schemes)	13,809,262	4.44
3	DSP SMALL CAP FUND	13,489,267	4.34
4	TATA MUTUAL FUND - TATA SMALL CAP FUND (All Schemes)	12,573,146	4.04
5	INDIA ADVANTAGE FUND S4 I	12,473,881	4.01
6	ICICI PRUDENTIAL BANKING AND FINANCIAL SERVICES FUND(All Schemes)	12,398,182	3.99
7	FRANKLIN INDIA SMALLER COMPANIES FUND	10,449,095	3.36
8	OMAN INDIA JOINT INVESTMENT FUND II	9,198,202	2.96
9	STEINBERG INDIA EMERGING OPPORTUNITIES FUND LIMITED	8,750,000	2.81
10	NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA RETIREMENT FUND - WEALTH CREATION SCHEME (All Schemes)	6,878,943	2.21
11	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE SMALL CAP FUND (All Schemes)	6,463,497	2.08
12	TVS SHRIRAM GROWTH FUND 3	5,797,473	1.86
13	UTI SMALL CAP FUND (All Schemes)	3,604,553	1.16
	Total	**159,635,553**	**51.33**

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2022

Sr. No.	Number of Equity shares held	No. of Shareholders	% to total holders	Shares	% to total shares
1	upto 500	174,342	86.05	22,057,362	7.09
2	501 to 1000	13,749	6.79	10,878,039	3.50
3	1001 to 2000	7,852	3.88	11,611,853	3.73
4	2001 to 3000	2,378	1.17	6,042,105	1.94
5	3001 to 4000	1,145	0.56	4,089,327	1.32
6	4001 to 5000	797	0.39	3,737,755	1.20
7	5001 to 10000	1,315	0.65	9,608,851	3.09
8	10001 & Above	1,029	0.51	242,951,171	78.13
	Total	**202,607**	**100.00**	**310,976,463**	**100.00**

Out of the above 202,607 folios, 187,680 folios comprise 306,938,635 shares forming 98.70% of the issued share capital, which are in dematerialised mode. Another 14,927 folios comprise 4,037,828 shares constituting 1.30% 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, 2022

Table I - Summary Statement holding of specified securities

Cat-egory	Category of shareholder	Nos of share holders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	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 Under-lying Outstand-ing con-vertible securities	No. of Shares Underly-ing Out-standing Warrants	No. of Shares Un-derlying Outstand-ing con-vertible securities and No. of Warrants	Sharehold-ing, 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 demateri-alised 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)	(XI) (a)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	2	46200234	0	0	46200234	14.8565	46200234	0	46200234	14.9584	0	0	0	14.8565	0	0.0000	0	0.0000	46200234
(B)	Public	198225	264776229	0	0	264776229	85.1435	262658567		262658567	85.0416	0	0	0	85.1435	0	0.0000	NA	NA	260738401
(C)	Non Promoter - Non Public				0				0			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	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	0	0.0000	0	0.0000	NA	NA	0
	Total	**198227**	**310976463**	**0**	**0**	**310976463**	**100.0000**	**308858801**	**0**	**308858801**	**100.0000**	**0**	**0**	**0**	**100.0000**	**0**	**0.0000**	**0**	**0.0000**	**306938635**

DCB Bank Limited

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

Category & Name of the shareholders	Share holder Type i.e. promoter OR promoter group entity (except promoter)	PAN	Nos. of share holders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	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	No. of Shares Underlying Outstanding Warrants	No. of Shares Underlying Outstanding convertible securities and No. of 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 dematerialized form
									No of Voting Rights			Total as a % of Total Voting rights (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)	(XI) (a)	(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	0	0.0000	0	0.0000	0	0.0000	0
Name (xyz..)			0	0	0	0	0	0.0000	0	0	0	0.0000	0	0	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	0	0.0000	0	0.0000	0	0.0000	0
Name (xyz..)			0	0	0	0	0	0.0000	0	0	0	0.0000	0	0	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	0	0.0000	0	0.0000	0	0.0000	0
Name (xyz..)			0	0	0	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0
(d) Any Other (Specify)			1	2450182	0	0	2450182	0.7879	2450182	0	2450182	0.7879	0	0	0	0.7879	0	0.0000	0	0.0000	2450182
Bodies Corporate			1	2450182	0	0	2450182	0.7879	2450182	0	2450182	0.7879	0	0	0	0.7879	0	0.0000	0	0.0000	2450182
Platinum Jubilee Investments Ltd.	Promoter Group		1	2450182	0	0	2450182	0.7879	2450182	0	2450182	0.7879	0	0	0	0.7879	0	0.0000	0	0.0000	2450182
Sub Total (A)(1)			**1**	**2450182**	**0**	**0**	**2450182**	**0.7879**	**2450182**	**0**	**2450182**	**0.7879**	**0**	**0**	**0**	**0.7879**	**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	0	0.0000	0	0.0000	0	0.0000	0
Name (xyz..)			0	0	0	0	0	0.0000	0	0	0	0.0000	0	0	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	0	0.0000	0	0.0000	0	0.0000	0
Name (xyz..)			0	0	0	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0
(c) Institutions			0	0	0	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0
Name (xyz..)			0	0	0	0	0	0.0000	0	0	0	0.0000	0	0	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	0	0.0000	0	0.0000	0	0.0000	0
Name (xyz..)			0	0	0	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0
(e) Any Other (Specify)			1	43750052	0	0	43750052	14.0686	43750052	0	43750052	14.0686	0	0	0	14.0686	0	0.0000	0	0.0000	43750052
Bodies Corporate			1	43750052	0	0	43750052	14.0686	43750052	0	43750052	14.0686	0	0	0	14.0686	0	0.0000	0	0.0000	43750052
Aga Khan Fund For Economic Development SA	Promoter		1	43750052	0	0	43750052	14.0686	43750052	0	43750052	14.0686	0	0	0	14.0686	0	0.0000	0	0.0000	43750052
Sub Total (A)(2)			**1**	**43750052**	**0**	**0**	**43750052**	**14.0686**	**43750052**	**0**	**43750052**	**14.0686**	**0**	**0**	**0**	**14.0686**	**0**	**0.0000**	**0**	**0.0000**	**43750052**
Total Shareholding Of Promoter And Promoter Group (A)= (A)(1)+(A)(2)			**2**	**46200234**	**0**	**0**	**46200234**	**14.8565**	**46200234**	**0**	**46200234**	**14.8565**	**0**	**0**	**0**	**14.8565**	**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 f account, voting rights which are frozen etc.: **NIL**

DCB Bank Limited

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

Sr.	Category & Name of the shareholders	PAN	Nos. of share holders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % total No. of Shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities	No. of Shares Underlying Outstanding Warrants	No. of Shares Underlying Outstanding convertible securities and No. of 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 dematerialized form
									No of Voting (XIV) Rights			Total as a % of Total Voting rights					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)	(XI) (a)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
1	**Institutions**																				
(a)	Mutual Fund		12	84392640	0	0	84392640	27.138	84392640	0	84392640	27.324	0			27.138	0	0	NA	NA	84392640
	HDFC Small Cap Fund			13809262	0	0	13809262	4.441	13809262	0	13809262	4.471	0			4.441	0	0	NA	NA	13809262
	DSP Small Cap Fund			13489267	0	0	13489267	4.338	13489267	0	13489267	4.368	0			4.338	0	0	NA	NA	13489267
	Tata Mutual Fund - Tata Small Cap Fund			12573146	0	0	12573146	4.043	12573146	0	12573146	4.071	0			4.043	0	0	NA	NA	12573146
	ICICI Prudential Banking And Financial Services Fund			12398182			12398182	3.987	12398182	0	12398182	4.014	0			3.987	0	0	NA	NA	12398182
	Franklin India Smaller Companies Fund			10449095			10449095	3.360	10449095	0	10449095	3.383	0			3.360	0	0	NA	NA	10449095
	Nippon Life India Trustee Ltd-A/C Nippon India Retirement Fund - Wealth Creation Scheme			6878943			6878943	2.212	6878943	0	6878943	2.227	0			2.212	0	0	NA	NA	6878943
	Aditya Birla Sun Life Trustee Private Limited A/c Aditya Birla Sun Life Midcap Fund			6463497	0	0	6463497	2.079	6463497	0	6463497	2.093	0			2.079	0	0	NA	NA	6463497
	UTI - Banking And Financial Services Fund			3604553			3604553	1.159	3604553		3604553	1.167				1.159		0	NA	NA	3604553
(b)	Venture Capital Funds		0	0	0	0	0	0	0	0	0	0	0			0	0	0	NA	NA	0
(c)	Alternate Investment Funds		6	32220944	0	0	32220944	10.361	32220944	0	32220944	10.432	0			10.361	0	0	NA	NA	32220944
	India Advantage Fund S4 I			12473881	0	0	12473881	4.011	12473881	0	12473881	4.039	0			4.011	0	0	NA	NA	12473881

Sr.	Category & Name of the shareholders	PAN	Nos. of shareholders	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 % 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	No. of Shares Underlying Outstanding Warrants	No. of Shares Underlying Outstanding convertible securities and No. of 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 dematerialized form
									No of Voting (XIV) Rights			Total as a % of Total Voting rights					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)	(XI) (a)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
	Oman India Joint Investment Fund II			9198202	0	0	9198202	2.958	9198202	0	9198202	2.978	0			2.958	0	0	NA	NA	9198202
	TVS Shriram Growth Fund 3			5797473	0	0	5797473	1.864	5797473	0	5797473	1.877	0			1.864	0	0	NA	NA	5797473
(d)	Foreign Venture Capital Investors		0	0	0	0	0	0	0	0	0	0	0			0	0	0	NA	NA	0
(e)	Foreign Portfolio Investor		67	27417000	0	0	27417000	8.816	27417000	0	27417000	8.877	0			8.816	0	0	NA	NA	27417000
	Steinberg India Emerging Opportunities Fund Limited			8750000	0	0	8750000	2.814	8750000	0	8750000	2.833	0			2.814	0	0	NA	NA	8750000
(f)	Financial Institutions / Banks		1	13	0	0	13	0	13	0	13	0	0			0	0	0	NA	NA	13
(g)	Insurance Companies		3	3738374	0	0	3738374	1.202	3738374	0	3738374	1.210	0			1.202	0	0	NA	NA	3738374
(h)	Provident Funds/ Pension Funds		0	0	0	0	0	0	0	0	0	0	0			0	0	0	NA	NA	0
(i)	Any Other (Specify)		0	0	0	0	0	0	0	0	0	0	0			0	0	0	NA	NA	0
	Sub Total (B)(1)		**89**	**147768971**	**0**		**0147768971**	**47.518**	**147768971**	**0**	**147768971**	**47.844**	**0**			**47.518**	**0**	**0**	**NA**	**NA**	**147768971**
2	Central Government/ State Government(s)/ President of India																				
	Central Government / State Government(s)		0	0	0	0	0	0	0	0	0	0	0			0	0	0	NA	NA	0
	Sub Total (B)(2)		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**			**0**	**0**	**0**	**NA**	**NA**	**0**
3	**Non-Institutions**																				
(a)	Individuals		190962	84228027	0	0	84228027	27.085	84228027		84228027	27.271				27.085		0			80331037
i	Individual shareholders holding nominal share capital up to Rs. 2 lakhs.		190663	66384175	0	0	66384175	21.347	66384175	0	66384175	21.493	0			21.347	0	0	NA	NA	62487386

Sr.	Category & Name of the shareholders	PAN	Nos. of shareholders	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 % 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	No. of Shares Underlying Outstanding Warrants	No. of Shares Underlying Outstanding convertible securities and No. of 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 dematerialized form
									No of Voting (XIV) Rights			Total as a % of Total Voting rights					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)	(XI) (a)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
ii	Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.		299	17843852	0	0	17843852	5.738	17843852	0	17843852	5.777	0			5.738	0	0	NA	NA	17843651
(b)	NBFCs registered with RBI		3	15650	0	0	15650	0.005	15650	0	15650	0.005	0			0.005	0	0	NA	NA	15650
(c)	Employee Trusts		0	0	0	0	0	0	0	0	0	0	0			0	0	0	NA	NA	0
(d)	Overseas Depositories (holding DRs) (balancing figure)		0	0	0	0	0	0	0	0	0	0	0			0	0	0	NA	NA	0
(e)	Any Other (Specify)		7171	32763581	0	0	32763581	10.536	30645919	0	30645919	9.922	0			10.536	0	0	NA	NA	32622743
	Bodies Corporate		858	15063567	0	0	15063567	4.844	15063567	0	15063567	4.877	0			4.844	0	0	NA	NA	14953098
	Body Corporate-Ltd Liability-Partnership-DR		43	2993465	0	0	2993465	0.963	2993465	0	2993465	0.969	0			0.963	0	0	NA	NA	2993465
	Clearing Member		81	1492619	0	0	1492619	0.480	1492619	0	1492619	0.483	0			0.480	0	0	NA	NA	1492619
	Directors/Relative of Directors		8	2402945	0	0	2402945	0.773	2402945	0	2402945	0.778	0			0.773	0	0	NA	NA	2402345
	Employee		341	1866068	0	0	1866068	0.600	1866068	0	1866068	0.604	0			0.600	0	0	NA	NA	1839394
	Hindu Undivided Family		2929	2103415	0	0	2103415	0.676	2103415	0	2103415	0.681	0			0.676	0	0	NA	NA	2103180
	IEPF		1	712495	0	0	712495	0.229	0	0	0	0	0			0.229	0	0	NA	NA	712495
	Non Resident Indians		2905	4721830	0	0	4721830	1.518	4721830	0	4721830	1.529	0			1.518	0	0	NA	NA	4720080
	Trusts		3	2010	0	0	2010	0.001	2010	0	2010	0.001	0			0.001	0	0	NA	NA	1000
	Unclaimed Shares		2	1405167	0	0	1405167	0.452	0	0	0	0	0			0.452	0	0	NA	NA	1405067
	Sub Total (B)(3)		**198136**	**117007258**	**0**		**0117007258**	**37.626**	**114889596**		**0114889596**	**37.198**	**0**			**37.626**	**0**	**0**	**NA**	**NA**	**112969430**
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)		**198225**	**264776229**	**0**		**0264776229**	**85.144**	**262658567**		**0262658567**	**85.042**	**0**			**85.144**	**0**	**0**	**NA**	**NA**	**260738401**

Details of the Shareholders acting as persons in concert for Public

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

	Details of Shares which remain unclaimed for Public			
Sr.	Number of Shareholders	Outstanding Shares held in Demat or unclaimed Suspense Account	Voting rights which are frozen	Disclosures of notes on shares which remain unclaimed for public
1	12771	1,405,167	1,405,167	The unclaimed shares which are lying in DCB Bank-Unclaimed Securities Suspense Account do not carry voting rights as per Regulation 39(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Clause 5A of the erstwhile Listing Agreement), the voting rights on such Unclaimed Securities shall remain frozen till the rightful owner of such shares claims the shares.

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

Sr.	Category & Name of the shareholders	PAN	Nos. of share holders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % Total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities	No. of Shares Underlying Outstanding Warrants	No. of Shares Underlying Outstanding convertible securities and No. of 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 dematerialized form
									No of Voting (XIV) Rights			Total as a % of Total Voting rights (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)	(XI) (a)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
1	Custodian/DR Holder -Name of DR holders (if available)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0	0	0
2	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0	0	0
	Total Non-Promoter-Non Public Shareholding (C)= (C)(1)+(C)(2)		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**NA**	**NA**	**0**	**0**	**0**
	Total (A+B+C2)		**198227**	**310976463**	**0**	**0**	**310976463**	**100**	**308858801**	**0**	**308858801**	**100**	**0**	**0**	**0**	**100**	**NA**	**NA**	**0**	**0**	**306938635**
	Total (A+B+C)		**198227**	**310976463**	**0**	**0**	**310976463**	**100**	**308858801**	**0**	**308858801**	**100**	**0**	**0**	**0**	**100**	**NA**	**NA**	**0**	**0**	**306938635**

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

Name	PAN	Passport No. in case of a foreign national	Nationality	Details of holding/ exercise of right of the SBO in the reporting company, whether direct or indirect:					Date of creation / acquisition of significant beneficial interest
				Shares	Voting rights	Rights on distributable dividend or any other distribution	Exercise of control	Exercise of significant influence	
Details of the significant beneficial owner(SBO)									
His Highness Karim Aga Khan			United Kindom	14.07	14.07	14.07			
Aga Khan Fund for Economic Development S.A.			Switzerland	14.07	14.07	14.07	Yes	Yes	03.01.1996

OUTSTANDING WARRANTS / ADRS / GDRS / CONVERTIBLE INSTRUMENTS

None.

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

May 7, 2022

FINANCIAL YEAR

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

DIVIDEND PAYMENT DATE

Dividend as recommended by the Board of Directors, if approved at the AGM, shall be paid on or after July 4, 2022 to the eligible Shareholders.

COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

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

DATE OF BOOK CLOSURE/RECORD DATE

The Bank has fixed Wednesday, June 15, 2022 as the Record Date (Cut-off Date) for the purpose of ascertaining voting rights of the Members at the 27th AGM and for entitlement of Dividend, if approved by Members

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

The Twenty Seventh Annual General Meeting of the Bank will be held via Video Conferencing (VC) or Other Audio Visual Means (OAVM) on Wednesday, June 22, 2022 at 2.30 p.m. (IST).

RECEIPT OF PROXY FORMS

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

DIVIDEND

Your Board is pleased to recommend a dividend of ₹ 1.00 per equity share of ₹ 10/- each in respect of this financial year ended March 31, 2022. Your Bank has a Dividend Distribution Policy as approved by the Board and is hosted on the website of the Bank at the link: https://www.dcbbank.com/pdfs/Dividend_Distribution_Policy.pdf

BRANCHES

The Bank has 400 branches and 349 ATM centres (both onsite and offsite) as at March 31, 2022.

CODE FOR PREVENTION OF INSIDER TRADING

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

DISCLOSURES

1. The Bank has not entered into any materially significant transaction during the year, which could have a potential conflict of interest between the Bank and its promoters, directors, management and/or their relatives, etc. other than the transactions carried out in the normal course of business.

2. During the last 3 years, there were no penalties or strictures imposed on the Bank by the Stock Exchange(s) and / or SEBI and/or any other statutory authorities on matters relating to capital market activities.

3. There are no relationships between the Directors of the Bank, inter-se.

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 https://www.dcbbank.com/pdfs/Whistle-Blower-Policy.pdf.

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: https://www.dcbbank.com/pdfs/Policy-on-Related-Party-Transactions-2019-20.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 ₹1.30 Crore was paid / provided on an aggregate basis to the Joint Statutory Auditors during the year for all the services provided by them to the Bank.

8. A certificate dated May 7, 2022 from M/s. S. N. Ananthasubramanian & Co., Company Secretaries in Practice has been obtained certifying that none of the Directors on the Board of the Bank have been debarred or disqualified from being appointed or continuing as Directors of the Bank by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority. The same is attached to and forms part of this report.

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 2021-22 are as under:

a)	number of complaints filed during the financial year:	1
b)	number of complaints disposed of during the financial year:	1
c)	number of complaints pending as on end of the financial year:	0

COMPLIANCE WITH MANDATORY REQUIREMENTS

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

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

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

1. THE BOARD

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

2. MODIFIED OPINION(S) IN AUDIT REPORT

There are no audit qualifications in the Bank's financial statements or qualification or adverse remark by the Company Secretary in Practice in his Secretarial Audit Report for FY 2022. The Bank wishes to continue in the regime of unqualified financial statements as well as Secretarial Audit Report.

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

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

4. REPORTING OF INTERNAL AUDITOR

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

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

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

LISTING ON STOCK EXCHANGES

In order to impart liquidity and convenience for trading, the Equity Shares and Tier II Bonds of the Bank are listed at the following Stock Exchanges. The annual fees for FY 2022 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 November 17, 2017 have been listed on NSE under WDM segment	DCB27	INE503A08036
4	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 Limited (NSDL)
Central Depository Services (India) Limited (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 requests of shareholders within the stipulated time from the date of receipt thereof

Disclosures with respect to demat suspense account/ unclaimed suspense account

Description	Number of shareholders	No. of shares
Aggregate outstanding shares at the beginning of the year	Nil	Nil
Shares transfer to Suspense Account on 25-06-2021	12,816	14,11,367
Number of shareholders who approached the Bank for transfer of shares from suspense account during the year	45	6,200
Number of shareholders to whom shares were transferred from suspense account during the year	45	6,200
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	*12,771	*1,405,167

*The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

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. However, in view of various relaxations granted by SEBI on account of continuing problem of Covid-19, the information may be published only on websites of the Bank and Stock Exchanges.

INVESTOR HELPDESK

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

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

Registrars and Transfer Agents.

LINK INTIME INDIA PRIVATE LTD.
CIN: U67190MH1999PTC118368
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-mail to the Bank at investorgrievance@dcbbank.com. This designated e-mail has also been displayed on the Bank's websitewww.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: 022-66187000Fax: 022-66589970
Date of Incorporation: 31-05-1995
Registration No.11-89008 of 1995
CIN: L99999MH1995PLC089008
Website: www.dcbbank.com
E-mail ID: investorgrievance@dcbbank.com

DCB BANK SHARE PRICE & VOLUME OF SHARES TRADED

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

Month	High	Low	Sensex (High)
Apr-21	105.15	85.65	50,375.77
May-21	106.80	89.00	52,013.22
Jun-21	114.45	101.00	53,126.73
Jul-21	112.80	101.55	53,290.81
Aug-21	105.80	81.95	57,625.26
Sep-21	97.75	88.70	60,412.32
Oct-21	98.80	89.40	62,245.43
Nov-21	105.10	79.45	61,036.56
Dec-21	88.85	78.30	59,203.37
Jan-22	87.50	79.10	61,475.15
Feb-22	90.00	68.05	59,618.51
Mar-22	75.00	68.50	58,890.92



DCB Bank Limited

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

Month	High	Low	Nifty (High)
Apr-21	105.20	85.50	15,044.35
May-21	106.70	89.00	15,606.35
Jun-21	114.45	101.15	15,915.65
Jul-21	113.00	101.55	15,962.25
Aug-21	106.00	81.90	17,153.50
Sep-21	97.75	88.70	17,947.65
Oct-21	98.65	89.25	18,604.45
Nov-21	105.25	79.55	18,210.15
Dec-21	88.50	78.35	17,639.50
Jan-22	89.00	79.15	18,350.95
Feb-22	88.70	67.85	17,794.60
Mar-22	74.80	68.60	17,559.80



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

To
The Members,
DCB Bank Limited
Mumbai

I, Murali M. Natrajan, Managing Director & CEO of the Bank confirm that for the Financial Year 2021-2022, all the Directors and Senior Management of the Bank have affirmed their adherence to the provisions of the Code of Conduct as approved and adopted by the Board of Directors.

SD/-

Date: May 07, 2022

Murali M. Natrajan
Managing Director & CEO

CORPORATE GOVERNANCE CERTIFICATE

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

1. Background

We have been approached by DCB Bank Limited ("the Bank") to examine the compliance with the conditions of Corporate Governance by the Bank, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), as amended from time to time, for the financial year ended on **31st March 2022.**

2. Management's Responsibility

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

3. Our Responsibility

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

4. Methodology

4.1. In order to conduct our examination, we were provided with the relevant documents and information including explanations, wherever required.

4.2. Our examination was conducted in a manner which provided us with a reasonable basis for evaluating the systems, internal controls and processes adopted by the Bank to monitor and ensure compliance with the conditions of Corporate Governance and to certify thereon.

5. Opinion

Based on our examination as aforesaid, the information, explanations and representations provided by the management and subject to the deviation* reported as under and the management's response thereat, we certify that, the Bank has complied with the with the conditions of the Corporate Governance stipulated in the Listing Regulations, for the Financial Year ended 31st March 2022.

Mr. Rafiq Somani, an Independent Director (ID) of the Bank has registered himself with the data bank maintained by the Institute of Corporate Affairs (IICA) on 6th March 2020, but could not attempt the Online Proficiency Self-Assessment Test conducted by IICA within stipulated period of two years from the date of his registration as required under Rule 6(4) of Companies (Appointment and Qualification of Directors) Rules, 2014. We have been informed that Mr. Somani has represented and requested IICA seeking more time to attempt the said Test to which IICA has responded that the matter has been placed before Ministry of Corporate Affairs for consideration and further directions in this regard.

6. Disclaimer

6.1. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.

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

For S. N. ANANTHASUBRAMANIAN & Co.
Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No.: 606/2019

S. N. Ananthasubramanian
Partner
FCS: 4206 | COP No.: 1774
UDIN: F004206D000283485

07th May, 2022 | Thane

Form No. MR- 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022

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

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

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

Based on our verification of the Bank's books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Bank has, during the audit period covering the financial year ended on **31st March 2022**, complied with the statutory provisions listed hereunder and also that the Bank has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Bank for the financial year ended 31st March, 2022 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, 2018 **– Not Applicable as there was no reportable event;**

   d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (up to 12th August, 2021) and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (with effect from 13th August, 2021);

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (up to 15th August, 2021);

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 Bank 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(up to 9th June, 2021) and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (with effect from 10th June, 2021) **- Not applicable as the Bank has not delisted / proposes to delist its equity shares from any stock exchange during the financial year under review;**

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **- Not applicable as the Bank has not bought back / proposes to buy-back any of its securities during the financial year under review;**

i. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (with effect from 16th August, 2021)

j. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (SEBI LODR Regulations).

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

a. The Banking Regulation Act, 1949 and Rules, Notifications, Circulars and Guidance issued by the Reserve Bank of India from time to time;

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

c. Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002;

d. The Payment and Settlement Systems Act, 2007;

e. The Negotiable Instruments Act, 1881

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

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

(ii) Listing agreements entered into by the Bank with National Stock Exchange of India Limited and BSE Limited;

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

We further report that: -

(i) The Board of Directors of the Bank is duly constituted with proper balance of Executive Directors - Non-Executive Directors including Independent Directors* and a Woman Director. Changes in the Composition of the Board which took place during the year were carried out in compliance with the provisions of the Act.

*Mr. Rafiq Somani, an Independent Director (ID) of the Bank has registered himself with the data bank maintained by the Institute of Corporate Affairs (IICA) on 6th March 2020, but could not attempt the Online Proficiency Self-Assessment Test conducted by IICA within stipulated period of two years from the date of his registration as required under Rule 6(4) of Companies (Appointment and Qualification of Directors) Rules, 2014. We have been informed that Mr. Somani has represented and requested IICA seeking more time to attempt the said Test to which IICA has responded that the matter has been placed before Ministry of Corporate Affairs for consideration and further directions in this regard.

(ii) Adequate notice is given to all Directors of the schedule of the Board/Committee Meetings. Agenda and detailed notes on agenda were sent atleast seven days in advance before the meeting except where consent of Directors

was received for circulation of the Notice, Agenda and notes on Agenda less than seven days before the meeting.

(iii) There exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

(iv) All decisions of the Board and Committee meetings were carried with requisite majority.

We further report that based on (a) the review of the compliance mechanism established by the Bank (b) Compliance Certificate(s) issued by various officials authorized for the purpose, which were taken on record by Board of Directors at their Meeting(s), and (c) communication(s) received from Reserve Bank of India, we are of the opinion that the Bank should continue its efforts to strengthen its systems and processes in the Bank to be commensurate with its size and operations so as to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

- The Bank has redeemed Debt Securities by exercising call option aggregating ₹ 236.60 Crores on 27th December, 2021.
- The Members have at their 26th Annual General Meeting held on 13th August, 2021 approved the following by way of Special Resolution(s):

  (i) borrowings not to exceed the aggregate of the paid up capital and free reserves or Rs. 6,500 Crore (Rupees Five Thousand Five Hundred Crore only) whichever is higher.

  (ii) raising of funds by issue of bonds / debentures / securities in domestic / foreign markets on Private Placement basis, of an amount not exceeding Rs. 500 Crore (Rupees Five Hundred Crore only) in aggregate by way of additional Tier I and /or Tier II capital, within the overall borrowing limits of the Bank, as approved by the members from time to time, for a period of one year, in one or more tranches and /or series.

  (iii) Issue of equity shares to Qualified Institutional Buyers through Qualified Institutional Placement, for an amount not exceeding Rs. 500 Crore (Rupees Five Hundred Crore only), in aggregate in one or more tranches.

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

For S. N. ANANTHASUBRAMANIAN & Co.
Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No.: 606/2019

S. N. Ananthasubramanian
Partner
FCS: 4206 | COP No.: 1774
UDIN: F004206D000283485

07th May, 2022 | Thane

Annexure-A

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

Our Secretarial Audit Report for the Financial Year ended 31st March, 2022, of even date, is to be read along with this letter.

Management's Responsibility.

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

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

3. We have conducted the Audit as per the applicable Auditing Standards issued by the Institute of Company Secretaries of India.

4. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

5. Wherever required, we have obtained reasonable assurance about whether the statements prepared, documents or Records, in relation to Secretarial Audit, maintained by the Auditee, are free from misstatement.

6. Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, etc.

Disclaimer

7. The Secretarial Audit Report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Bank.

8. We have not verified the correctness and appropriateness of financial records and books of accounts of the Bank.

For S. N. ANANTHASUBRAMANIAN & CO.
Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review No.: 606/2019

07th May, 2022 | Thane

S. N. Ananthasubramanian
Partner
FCS: 4206 I COP No: 1774
UDIN: F004206D000283463

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

To,
The Members
DCB Bank Limited
601 & 602, Peninsula Business Park,
6th floor, Tower A, Senapati Bapat Marg,
Lower Parel, Mumbai – 400013

We have examined the following documents:

i) Declaration of non-disqualification as required under Section 164of Companies Act, 2013 ('the Act');

ii) Disclosure of concern or interests as required under Section 184 of the Act;
(hereinafter referred to as 'relevant documents')

as submitted by the Directors of **DCB Bank Limited** ('the Company') bearing CIN: L99999MH1995PLC089008 and having its registered office at 601 & 602, Peninsula Business Park, 6th floor, Tower A, Senapati Bapat Marg, Lower Parel, Mumbai – 400013, to the Board of Directors of the Company ('the Board') for the **Financial Year 2021 – 2022 and Financial Year 2022 – 2023** and relevant registers, records, forms and returns maintained by the Company and as made available to us for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of SEBI (LODR) Regulations, 2015. We have considered non-disqualification to include non-debarment by Regulatory/ Statutory Authorities.

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

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

Based on our examination as aforesaid and such other verifications carried out by us as deemed necessary and adequate (including Directors Identification Number (DIN) status at the portal www.mca.gov.in), in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, we hereby certify that none of the Directors on the Board of the Company, as listed hereunder for the **Financial Year ending 31st March, 2022** have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.

Sr. No.	Name of Director	Director Identification Number (DIN)	Date of Appointment	Date of Cessation
1.	Mr. Nasser Munjee	00010180	29/06/2005	18/08/2021
2.	Mr. Murali Natrajan	00061194	29/04/2009	–
3.	Mr. Shaffiq Dharamshi	06925633	13/01/2015	–
4.	Ms. Rupa Devi Singh	02191943	22/01/2015	–
5.	Mr. Iqbal Khan	07870063	15/07/2017	–
6.	Mr. Ashok Kumar Barat	00492930	22/03/2018	–
7.	Mr. Somasundaram Palamadai Ramaswamy	00356363	25/01/2020	–
8.	Mr. Amyn Jassani	02945319	25/01/2020	
9.	Mr. Shabbir Merchant	07438419	25/01/2020	–
10.	Mr. Rafiq Somani	01351871	09/03/2020	–
11.	Mr. Tarun Balram	02445298	24/01/2022	–
12.	Mr. Thiyagarajan Kumar	00735914	10/02/2022	–

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

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year ended 31st March, 2022.

For S. N. ANANTHASUBRAMANIAN & Co.
Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No.: 606/2019

S. N. Ananthasubramanian
Partner
FCS: 4206 | COP No.: 1774
UDIN: F004206D000283485

07th May, 2022 | Thane

INDEPENDENT AUDITOR'S REPORT

To the Members of DCB Bank Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of DCB Bank Limited ("the Bank"), which comprise the Balance sheet as at March 31, 2022, the Profit and Loss Account, the Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us , the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013, as amended ("the Act") in the manner so required for banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Bank as at March 31, 2022, its profit, its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matters	How our audit addressed the key audit matter
Identification of Non-Performing Advances ("NPA") and provisioning of advances including compliance with revised Income Recognition and Asset Classification norms ("IRAC") issued by Reserve Bank of India ("RBI") and clarifications issued thereon	
Advances constitute a significant portion of the Bank's assets and the quality of these advances is measured in terms of ratio of NPAs to the gross advances of the Bank. The Bank's net advances constitute 65 % of the total assets and the gross NPA ratio of the Bank is 4.32% as at March 31, 2022 During the year, RBI issued revised guidelines (including clarifications thereon) on IRAC. These guidelines prescribe the prudential norms for identification and classification of NPAs and the minimum provision required for such assets. The Bank is also required to apply its judgement to determine the identification and provision required against NPAs by applying quantitative as well as qualitative factors. The risk of identification of NPAs is affected by factors like stress and liquidity concerns in certain sectors. The provisioning for identified NPAs is estimated based on ageing and classification of NPAs, recovery estimates, value of security and other qualitative factors and is subject to the minimum provisioning norms specified by RBI. Additionally, the Bank makes provisions on exposures that are not classified as NPAs including advances in certain sectors and identified advances or group advances that can potentially slip into NPA. These are classified as contingency provisions. Since the identification of NPAs and provisioning for advances require significant level of estimation/ judgement and given its significance to the overall audit due to stakeholder and regulatory focus, we have ascertained identification and provisioning for NPAs and advances as a key audit matter.	The audit procedures performed, among others, included: • Read the Bank's policies for NPA identification and provisioning and assessing compliance with the IRAC norms. • Understood the design and operating effectiveness of key controls (including application controls) around identification of non-performing accounts based on the extant guidelines on IRAC. • Performed substantive audit procedures covering the identification and provisioning of NPAs by the Bank. These procedures included: - Tested the exception reports generated from the application systems where the advances have been recorded. - Considered accounts reported by the Bank and other Banks as Special Mention Accounts ("SMA") in RBI's central repository of information on large credits (CRILC) to identify stress and the early warning reports generated by the Bank to identify stressed accounts - Tested account statements and other related information of the borrowers selected based on quantitative and qualitative risk factors. - Performed analytical procedures to identify possible cases of evergreening of loans and tested these on sample basis. - Performed inquiries with the credit and risk departments to ascertain if there were indicators of stress or an occurrence of an event of default in a particular loan account or any product category which need to be considered as NPA. - Tested on sample basis, the calculation performed by the management for compliance with RBI regulations and internally laid down policies for provisioning. - Evaluated the governance process and review controls over NPA provision calculations and provision on accounts not classified as NPA. - Tested the arithmetical accuracy of computation of provision for advances. • Assessed disclosure requirements for classification and provisioning of NPAs in accordance with RBI circulars including those issued specifically issued for Covid 19 related matters.

Key audit matters	How our audit addressed the key audit matter
Information Technology ("IT") Systems and Controls	
The reliability and security of IT systems plays a key role in the business operations preparation of the Bank's Financial Statements. The Bank's operational and financial processes are dependent on IT systems due to large volume of transactions that are processed daily and accordingly the IT infrastructure is critical for smooth functioning of the Bank's business operations as well as for timely and accurate financial reporting and accounting. The Bank has constituted an IT Strategy Committee at the Board level to oversee implementation of IT strategy. Due to the pervasive nature and complexity of the IT environment we have ascertained IT systems and controls as a key audit matter.	Our audit procedures included the following: • Tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting. • Tested IT General Controls (logical access, change management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. • Tested the Bank's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to the audit. • Tested compensating controls and performed alternate procedures, where necessary. • Understood where relevant, changes made to the IT landscape during the audit period and tested those changes.

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

The Bank's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report (but does not include the financial statements and our auditor's reports thereon), which we obtained prior to the date of this auditor's report, and Annual Report, which is expected to be made available to us after that date.

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The financial statements of the Bank for the year ended March 31, 2021, included in these financial statements, have been audited by the S.R. Batliboi & Associates LLP who expressed an unmodified opinion on those statements on May 08, 2021.

Report on Other Legal and Regulatory Requirements

1. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 read with Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

2. As required by sub section (3) of section 30 of the Banking Regulation Act, 1949 and communication received by the Bank from RBI, we report that:

    a. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

    b. The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and

    c. The financial accounting systems of the Bank are centralized and therefore, accounting returns for the purpose of preparing financial statements are not required to be submitted by its branches. We have visited 31 branches for the purpose of our walkthrough of processes and test of controls at branches by inspection of documents obtained from branches.

3. As required by Section 143(3) of the Act, we report that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

    b. In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books;

    c. The Balance Sheet, the Profit and Loss Account, the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

    d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent they are not inconsistent with the accounting policies prescribed by RBI;

    e. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

    f. With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report;

    g. In our opinion, the entity being a banking company, the remuneration to whole-time directors during the year ended March 31, 2022 has been paid by the Bank in accordance with the provisions of Section 35B (1) of the Banking Regulation Act, 1949;

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Bank has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 15 to the financial statements;

ii. The Bank did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank

iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 13.6 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 13.6 to the financial statements, no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. As stated in note 13.5 to the financial statements, the Board of Directors of the Bank have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
Firm Registration no.: 101049W/E300004

per Sarvesh Warty
Partner
Membership No.: 121411
UDIN: 22121411AIODHV7462

Place: Mumbai
Date: May 07, 2022

For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Registration no.: 004207S

P Menakshi Sundaram
Partner
Membership No.: 217914
UDIN: 22217914AIOGNG3569

Place: Mumbai
Date: May 07, 2022

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

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

We have audited the internal financial controls with reference to financial statements of DCB Bank Limited ("the Bank") as of March 31, 2022 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls With Reference to these Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

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

Opinion

In our opinion, the Bank has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
Firm Registration no.: 101049W/E300004

per Sarvesh Warty
Partner
Membership No.: 121411
UDIN: 22121411AIODHV7462

Place: Mumbai
Date: May 07, 2022

For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Registration no.: 004207S

P Menakshi Sundaram
Partner
Membership No.: 217914
UDIN: 22217914AIOGNG3569

Place: Mumbai
Date: May 07, 2022

BALANCE SHEET AS AT MARCH 31, 2022

	Schedule	As on 31.03.2022 (₹ in 000's)	As on 31.03.2021 (₹ in 000's)
CAPITAL & LIABILITIES			
Capital	1	31,09,765	31,05,361
Employee Stock Options			
(Grants outstanding net of deferred cost)		13,151	9,542
Reserves and Surplus	2	3,73,65,327	3,44,70,976
Capital and Reserves		**4,04,88,243**	**3,75,85,879**
Deposits	3	34,69,16,866	29,70,38,646
Borrowings	4	4,08,18,396	4,48,22,513
Other Liabilities and Provisions	5	2,01,77,911	1,65,74,251
TOTAL CAPITAL & LIABILITIES		**44,84,01,416**	**39,60,21,289**
ASSETS			
Cash and Balances with Reserve Bank of India	6	1,57,75,007	1,18,28,873
Balances with Banks and Money at Call and Short Notice	7	2,51,32,597	1,85,64,547
Investments	8	9,09,82,339	8,41,36,927
Advances	9	29,09,57,812	25,73,71,970
Fixed Assets	10	66,11,838	56,85,098
Other Assets	11	1,89,41,823	1,84,33,874
TOTAL ASSETS		**44,84,01,416**	**39,60,21,289**
Contingent Liabilities	12	5,06,20,979	5,84,98,184
Bills for Collection		55,46,339	46,95,387
Significant Accounting Policies	17		
Notes to Accounts	18		

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

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

For and on behalf of the Board of Directors

Murali M. Natrajan
MD & CEO
DIN-00061194

Rupa Devi Singh
Director
DIN-02191943

Amyn Jassani
Director
DIN-02945319

Bharat Sampat
Chief Financial Officer

Rubi Chaturvedi
Company Secretary

As per our report of even date.

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

Sarvesh Warty
Partner
Membership No. : 121411

Place : Mumbai
Date : May 07, 2022

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

P Menakshi Sundaram
Partner
Membership No. : 217914

Place : Mumbai
Date : May 07, 2022

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2022

	Schedule	Year ended 31.03.2022 (₹ in 000's)	Year ended 31.03.2021 (₹ in 000's)
I. INCOME			
Interest Earned	13	3,51,27,650	3,45,82,144
Other Income	14	45,20,392	44,58,259
TOTAL INCOME		**3,96,48,042**	**3,90,40,403**
II. EXPENDITURE			
Interest Expended	15	2,15,52,576	2,17,15,978
Operating Expenses	16	1,01,25,643	84,66,272
Provisions and Contingencies	18 (12.1)	50,94,780	55,00,255
TOTAL EXPENDITURE		**3,67,72,999**	**3,56,82,505**
III. PROFIT / (LOSS)			
Net Profit for the Year		28,75,043	33,57,898
Balance Brought Forward		93,85,296	76,26,091
TOTAL PROFIT/(LOSS)		**1,22,60,339**	**1,09,83,989**
IV. APPROPRIATIONS			
Transfer to Statutory Reserve		7,18,761	8,39,474
Transfer to Special Reserve		3,06,500	3,10,000
Transfer to Capital Reserve		2,06,662	5,27,665
Transfer to / (from) Investment Reserve		15,990	(18,170)
Transfer to Investment Fluctuation Reserve		-	-
Transfer from Revaluation Reserve		(60,276)	(60,276)
Dividend Paid		-	-
Balance carried over to Balance sheet		1,10,72,702	93,85,296
TOTAL		**1,22,60,339**	**1,09,83,989**
Earnings per share	17 (17)		
(i) Basic (₹)	18 (11.2)	9.26	10.82
(ii) Diluted (₹)	18 (11.2)	9.19	10.70
Face Value per share (₹)		10.00	10.00
Significant Accounting Policies	17		
Notes to Accounts	18		

The Schedules referred to above form an integral part of the Profit and Loss Account.
The Profit and Loss Account has been prepared in conformity with Form 'B' of the Third Schedule to the Banking Regulation Act, 1949.

For and on behalf of the Board of Directors

Murali M. Natrajan
MD & CEO
DIN-00061194

Rupa Devi Singh
Director
DIN-02191943

Amyn Jassani
Director
DIN-02945319

Bharat Sampat
Chief Financial Officer

Rubi Chaturvedi
Company Secretary

As per our report of even date.

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

Sarvesh Warty
Partner
Membership No. : 121411

Place : Mumbai
Date : May 07, 2022

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

P Menakshi Sundaram
Partner
Membership No. : 217914

Place : Mumbai
Date : May 07, 2022

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

		Year ended 31.03.2022 (₹ in 000's)	Year ended 31.03.2021 (₹ in 000's)
Cash Flow from Operating Activities			
Net Profit after tax for the year (Refer Profit and Loss Account)		**28,75,043**	**33,57,898**
Add: Provision for income tax (Refer Schedule 18 (12.1))		10,20,453	11,70,152
Net Profit before tax for the year		**38,95,496**	**45,28,050**
Adjustments for:			
Provisions for Advances		30,78,816	26,98,109
Provisions for Restructured Advances		1,71,898	2,00,879
Provision for Investments		67,856	78,393
Provision for Standard Assets*		8,64,521	20,90,097
General Provision for COVID-19		-	(6,30,000)
Provision for Other Assets and Contingencies		12,380	667
Depreciation / Amortisation on Fixed Assets		6,37,140	5,66,043
Loss on Sale of Fixed Assets		2,282	1,322
Amortisation of Premium on Held-to-Maturity (HTM) Investments		6,27,745	4,00,886
Amortisation of Premium on Acquired Assets		3,504	4,333
ESOPs Compensation		4,101	(9)
Cash Flow from Operating Activities before adjustments		**93,65,739**	**99,38,770**
Adjustments for:			
Increase/(Decrease) in Deposits		4,98,78,220	(66,60,641)
Increase/(Decrease) in Other Liabilities & Provisions		27,38,646	20,62,821
(Increase)/Decrease in Investments		(75,41,011)	(72,01,181)
(Increase)/Decrease in Advances		(3,68,40,060)	(68,22,369)
(Increase)/Decrease in Other Assets		2,64,696	(44,02,392)
Refund/(Payment) of direct taxes (Including Tax Deducted at Source)		(18,05,479)	(19,36,271)
Net Cash Flow from / (used in) Operating activities	**A**	**1,60,60,751**	**(1,50,21,263)**
Cash flow from Investing Activities			
Purchase of Fixed assets		(15,74,786)	(8,02,547)
Proceeds from sale of Fixed Assets		8,625	8,813
Net Cash Flow used in Investing activities	**B**	**(15,66,161)**	**(7,93,734)**

		Year ended 31.03.2022 (₹ in 000's)	Year ended 31.03.2021 (₹ in 000's)
Cash flow from Financing Activities			
Proceeds from Issue of Capital (including ESOPs)		23,712	6,716
Repayment of Subordinated Debt		(23,66,000)	-
Proceeds from Borrowings		2,37,49,883	2,75,66,590
Repayment of Borrowings		(2,53,88,001)	(1,68,23,589)
Net Cash Flow from Financing activities	**C**	**(39,80,406)**	**1,07,49,717**
Net Increase in Cash & Cash Equivalents	**A+B+C**	**1,05,14,184**	**(50,65,280)**
Cash and cash equivalents at the beginning of the year		3,03,93,420	3,54,58,700
Cash and cash equivalents at the end of the year		4,09,07,604	3,03,93,420
Notes to the cash flow statement			
Cash and cash equivalents includes the following:			
Cash and balances with Reserve Bank of India (Refer Schedule 6)		1,57,75,007	1,18,28,873
Balances with Banks and Money at Call and Short notice (Refer Schedule 7)		2,51,32,597	1,85,64,547
Cash and Cash equivalents at the end of the year		**4,09,07,604**	**3,03,93,420**

*Includes provision for standard restructured accounts

For and on behalf of the Board of Directors

Murali M. Natrajan	**Rupa Devi Singh**	**Amyn Jassani**	**Bharat Sampat**	**Rubi Chaturvedi**
MD & CEO	Director	Director	Chief Financial Officer	Company Secretary
DIN-00061194	DIN-02191943	DIN-02945319		

As per our report of even date.

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

Sarvesh Warty
Partner
Membership No. : 121411

Place : Mumbai
Date : May 07, 2022

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

P Menakshi Sundaram
Partner
Membership No. : 217914

Place : Mumbai
Date : May 07, 2022

SCHEDULE 1 - CAPITAL

	As on 31.03.2022 (₹ in 000's)	As on 31.03.2021 (₹ in 000's)
Authorised Capital		
500,000,000 (Previous year 500,000,000)	50,00,000	50,00,000
Equity Shares of ₹ 10/- each		
Issued, Subscribed and Paid up Capital*		
310,976,463 (as at March 31, 2021: 310,536,113)	31,09,765	31,05,361
Equity Shares of ₹ 10/- each		
TOTAL	**31,09,765**	**31,05,361**

* (During the year, 440,350 (Previous year: 120,700) equity shares have been issued against exercise of options purchased under the Employees' Stock Option Plan).

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

SCHEDULE 2 - RESERVES & SURPLUS

		As on 31.03.2022 (₹ in 000's)	As on 31.03.2021 (₹ in 000's)
I.	**Statutory Reserve**		
	Opening balance	63,22,621	54,83,147
	Additions during the year	7,18,761	8,39,474
	TOTAL(I)	**70,41,382**	**63,22,621**
II.	**Special Reserve**		
	Opening balance	12,09,489	8,99,489
	Additions during the year	3,06,500	3,10,000
	Deductions during the year	-	-
	TOTAL(II)	**15,15,989**	**12,09,489**
III.	**Capital Reserve**		
	a) Revaluation Reserve		
	Opening balance	23,13,618	23,73,894
	Additions during the year	-	-
	Deductions during the year (transferred to		
	Balance in Profit & Loss Account)*	(60,276)	(60,276)
	TOTAL (a)	**22,53,342**	**23,13,618**
	b) Other Capital Reserve		
	Opening balance	11,96,749	6,69,084
	Additions during the year	2,06,662	5,27,665
	Deductions during the year	-	-
	TOTAL (b)	**14,03,411**	**11,96,749**
	TOTAL (a + b) (III)	**36,56,753**	**35,10,367**

	As on 31.03.2022 (₹ in 000's)	As on 31.03.2021 (₹ in 000's)
IV. Securities Premium		
Opening balance	1,36,56,753	1,36,51,244
Additions during the year	19,308	5,509
Deductions during the year	-	-
TOTAL (IV)	**1,36,76,061**	**1,36,56,753**
V. Investment Reserve		
Opening balance	-	18,170
Additions during the year	15,990	-
Deductions during the year	-	(18,170)
TOTAL (V)	**15,990**	**-**
VI. Investment Fluctuation Reserve		
Opening balance	3,86,450	3,86,450
Additions during the year	-	-
Deductions during the year	-	-
TOTAL (VI)	**3,86,450**	**3,86,450**
VII. Balance in Profit and Loss Account	**1,10,72,702**	**93,85,296**
TOTAL (I to VII)	**3,73,65,327**	**3,44,70,976**

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

SCHEDULE 3 - DEPOSITS

		As on 31.03.2022 (₹ in 000's)	As on 31.03.2021 (₹ in 000's)
A	**I. Demand Deposits**		
	(i) From Banks	1,41,245	4,22,644
	(ii) From Others	2,11,62,691	1,99,20,998
	TOTAL(I)	**2,13,03,936**	**2,03,43,642**
	II. Savings Bank Deposits	7,15,06,895	4,75,21,462
	TOTAL(II)	**7,15,06,895**	**4,75,21,462**
	III. Term Deposits		
	(i) From Banks	3,39,73,087	2,55,79,796
	(ii) From Others	22,01,32,948	20,35,93,746
	TOTAL (III)	**25,41,06,035**	**22,91,73,542**
	TOTAL (I,II and III)	**34,69,16,866**	**29,70,38,646**
B	I. Deposits of branches in India	34,69,16,866	29,70,38,646
	II. Deposits of branches outside India	-	-
	TOTAL	**34,69,16,866**	**29,70,38,646**

SCHEDULE 4 - BORROWINGS

	As on 31.03.2022 (₹ in 000's)	As on 31.03.2021 (₹ in 000's)
I. Borrowings in India		
(i) Reserve Bank of India	10,00,000	10,00,000
(ii) Other Banks	5,50,000	7,00,000
(iii) Other Institutions and Agencies	3,47,68,396	3,62,56,513
(iv) Sub-Ordinated Debts	45,00,000	68,66,000
TOTAL (I)	**4,08,18,396**	**4,48,22,513**
II. Borrowings outside India	-	-
TOTAL (I & II)	**4,08,18,396**	**4,48,22,513**
Secured Borrowings included in I & II above	10,00,000	10,00,000

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

	As on 31.03.2022 (₹ in 000's)	As on 31.03.2021 (₹ in 000's)
I. Bills Payable	68,99,418	47,23,053
II. Inter Office Adjustments (Net)	-	-
III. Interest Accrued (Net of TDS recoverable)	38,21,848	42,49,081
IV. Others		
(i) Provision for Standard Assets *	40,73,586	32,09,065
(ii) Other Liabilities (including provisions)**	53,83,059	43,93,052
TOTAL	**2,01,77,911**	**1,65,74,251**

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

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

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

	As on 31.03.2022 (₹ in 000's)	As on 31.03.2021 (₹ in 000's)
I. Cash in hand	19,17,985	19,73,833
(including foreign currency notes)		
II. Balances with Reserve Bank of India		
(i) In Current Accounts	1,38,57,022	98,55,040
(ii) In Other Accounts	-	-
TOTAL (II)	**1,38,57,022**	**98,55,040**
TOTAL (I & II)	**1,57,75,007**	**1,18,28,873**

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

	As on 31.03.2022 (₹ in 000's)	As on 31.03.2021 (₹ in 000's)
I. In India		
i. Balance with Banks		
(a) In Current Accounts*	73,163	89,284
(b) In Other Deposit Accounts	2,004	1,927
* includes funds in transit amounting to ₹ 2.30 crore (Previous Year : ₹ 1.05 crore)		
TOTAL	**75,167**	**91,211**
ii. Money at Call and Short Notice		
(a) With Banks	1,63,00,000	1,20,00,000
(b) With Other Institutions	14,63,523	35,99,676
TOTAL	**1,77,63,523**	**1,55,99,676**
TOTAL (I)	**1,78,38,690**	**1,56,90,887**
II. Outside India		
(i) In Current Accounts	4,49,086	2,36,582
(ii) In Other Deposit Accounts	68,44,821	26,37,078
(iii) Money at Call and Short Notice	-	-
TOTAL (II)	**72,93,907**	**28,73,660**
TOTAL (I & II)	**2,51,32,597**	**1,85,64,547**

SCHEDULE 8 - INVESTMENTS

	As on 31.03.2022 (₹ in 000's)	As on 31.03.2021 (₹ in 000's)
I. Investments in India		
Net Investments in :-		
(i) Government Securities	7,62,40,029	6,73,70,398
(ii) Other Approved Securities	-	-
(iii) Shares	2,25,994	2,37,555
(iv) Debentures and Bonds	12,46,767	12,95,896
(v) Subsidiaries and/or Joint Ventures	-	-
(vi) Other Investments :		
(a) Ceritificate of Deposits/Commercial Paper	4,96,200	4,95,982
(b) Units of Mutual Funds	31,000	21,500
(c) Pass Through Certificates	1,24,05,252	1,44,66,688
(d) Security Receipts*	3,37,097	2,48,908
TOTAL (I)	**9,09,82,339**	**8,41,36,927**
II. Investments in India		
(i) Gross Value	9,11,40,358	8,43,23,834
(ii) Provision for Depreciation	(1,58,019)	(1,86,907)
TOTAL (II)	**9,09,82,339**	**8,41,36,927**
III. Investments outside India		
(i) Government Securities	-	-
(ii) Subsidiaries and/or Joint Ventures	-	-
(iii) Other Investments	-	-
TOTAL (III)	**-**	**-**

* Refer Schedule 18 (5.12 and 5.13) (Details of financial assets (including written off accounts) sold to Securitisation/ Reconstruction Company for Asset Reconstruction and Details of investment in security receipts (SRs))

SCHEDULE 9 - ADVANCES

		As on 31.03.2022 (₹ in 000's)	As on 31.03.2021 (₹ in 000's)
I.	(i) Bills Purchased and Discounted	47,19,719	18,29,874
	(ii) Cash credits, Overdrafts and Loans repayable on demand	5,99,03,885	6,11,79,361
	(iii) Term Loans	22,63,34,208	19,43,62,735
	TOTAL (I)	**29,09,57,812**	**25,73,71,970**
II.	(i) Secured by tangible assets*	27,79,62,720	24,54,87,692
	(ii) Covered by Bank / Government Guarantees	-	-
	(iii) Unsecured	1,29,95,092	1,18,84,278
	*includes Advances against Book Debts		
	TOTAL (II)	**29,09,57,812**	**25,73,71,970**
III	(a) Advances in India		
	(i) Priority Sectors	14,16,74,023	15,40,11,686
	(ii) Public Sector	-	-
	(iii) Banks	1,74,868	-
	(iv) Others	14,91,08,921	10,33,60,284
	TOTAL	**29,09,57,812**	**25,73,71,970**
III	(b) Advances outside India	-	-
	TOTAL (III)	**29,09,57,812**	**25,73,71,970**

Advances are net of provisions

SCHEDULE 10 - FIXED ASSETS

		As on 31.03.2022 (₹ in 000's)	As on 31.03.2021 (₹ in 000's)
I.	**Premises (Gross Block including Revaluation)**		
	(i) As at 31 March of the preceding year	52,25,608	51,10,796
	(ii) Additions during the year	4,35,640	1,17,092
	(iii) Deductions during the year	(4,710)	(2,280)
	Total	**56,56,538**	**52,25,608**
	Depreciation to date (including on Revaluation)		
	(i) As at 31 March of the preceding year	8,27,548	7,03,739
	(ii) Charge for the year	1,37,017	1,26,041
	(iii) On deductions during the year	(4,165)	(2,232)
	Total	**9,60,400**	**8,27,548**
	Net Block	**46,96,138**	**43,98,060**
II.	**Other Fixed Assets (Gross Block including Furniture & Fixtures)***		
	(i) As at 31 March of the preceding year	43,83,578	37,41,985
	(ii) Additions during the year	6,10,921	6,85,456
	(iii) Deductions during the year	(1,58,696)	(43,863)
	Total	**48,35,803**	**43,83,578**
	Depreciation to date		
	(i) As at 31 March of the preceding year	30,96,540	26,90,314
	(ii) Charge for the year	5,00,123	4,40,003
	(iii) On deductions during the year	(1,48,334)	(33,777)
	Total	**34,48,329**	**30,96,540**
	Net Block	**13,87,474**	**12,87,038**
III.	**Capital Work In Progress**	5,28,226	**-**
	TOTAL (I+II+III)	**66,11,838**	**56,85,098**

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

SCHEDULE 11 - OTHER ASSETS

	As on 31.03.2022 (₹ in 000's)	As on 31.03.2021 (₹ in 000's)
I. Inter-Office Adjustments (Net)	-	-
II. Interest accrued	54,57,115	36,20,665
III. Tax paid in Advance/Tax deducted at Source (Net of provision)	6,86,165	6,41,209
IV. Stationery and Stamps	4,129	4,496
V. Non-Banking Assets acquired in satisfaction of claims (Net)	-	-
VI. Deferred Tax Assets (Net)*	22,99,913	15,59,863
VII. Others	1,04,94,501	1,26,07,641
TOTAL	**1,89,41,823**	**1,84,33,874**

* Refer Schedule 18 (11.6) (Deferred Tax)

SCHEDULE 12 - CONTINGENT LIABILITIES

	As on 31.03.2022 (₹ in 000's)	As on 31.03.2021 (₹ in 000's)
I. Claims against the Bank not acknowledged as debts	354,946	440,372
II. Liability for partly paid investments	-	-
III. Liability on account of outstanding forward exchange and derivative contracts		
(a) Forward Contracts	1,77,82,740	2,94,48,701
(b) Interest Rate Swaps and Currency Swaps	-	-
(c) Foreign Currency Options	-	-
IV. Guarantees given on behalf of constituents		
(a) In India	1,10,69,197	1,01,56,679
(b) Outside India	7,07,795	7,32,221
V. Acceptances, Endorsements and other obligations	23,19,491	24,65,837
VI. Other items for which the Bank is contingently liable*	1,83,86,810	1,52,54,374
TOTAL	**5,06,20,979**	**5,84,98,184**

* includes

i) ₹ 1,718 crore of lending under RBI Liquidity Adjustment Facility outstanding as at March 31, 2022 (Previous Year : ₹ 1,402 crore as on March 31, 2021) as per RBI circular FMRD.DIRD. 10/14.03.002/2015-16.

ii) ₹ 61.54 crore (Previous year: ₹ 55.13 crore) being amount transferred to DEA Fund Cell, RBI and outstanding, as per RBI circular DBOD.No.DEAF Cell.BC.114/30.01.002/2013-14.

iii) ₹ 5.29 crore (Previous Year : ₹ 2.74 crore) includes capital commitment towards unpaid commitment towards new premises and undrawn amount of Alternative Investment Fund

SCHEDULE 13 - INTEREST EARNED

	Year Ended 31.03.2022 (₹ in 000's)	Year Ended 31.03.2021 (₹ in 000's)
I. Interest/Discount on Advances/Bills	2,83,17,721	2,78,55,391
II. Income on Investments	59,42,893	58,31,607
III. Interest on Balance with Reserve Bank of India and other Inter Bank Funds	5,35,238	5,37,331
IV. Others	3,31,798	3,57,815
TOTAL	**3,51,27,650**	**3,45,82,144**

SCHEDULE 14 - OTHER INCOME

	Year Ended 31.03.2022 (₹ in 000's)	Year Ended 31.03.2021 (₹ in 000's)
I. Commission, Exchange and Brokerage	23,79,917	19,55,874
II. Profit/(Loss) on sale of Investments (Net)	8,08,515	14,27,626
III. Profit/(Loss) on revaluation of Investments (Net)	(67,856)	(78,393)
IV. Profit/(Loss) on sale of Land, Buildings and Other Assets (Net)	(2,282)	(1,322)
V. Profit/(Loss) on Exchange Transactions (Net)	2,84,614	2,26,795
VI. Income earned by way of Dividends, etc. from Subsidiaries, Companies and/or Joint Ventures abroad/in India	-	-
VII. Miscellaneous Income	11,17,484	9,27,679
TOTAL	**45,20,392**	**44,58,259**

SCHEDULE 15 - INTEREST EXPENDED

	Year Ended 31.03.2022 (₹ in 000's)	Year Ended 31.03.2021 (₹ in 000's)
I. Interest on Deposits	1,88,57,212	1,88,02,773
II. Interest on Reserve Bank of India/Inter-Bank Borrowings	6,62,128	7,28,402
III. Other Interest	20,33,236	21,84,803
TOTAL	**2,15,52,576**	**2,17,15,978**

SCHEDULE 16 - OPERATING EXPENSES

	Year Ended 31.03.2022 (₹ in 000's)	Year Ended 31.03.2021 (₹ in 000's)
I. Payments to and Provisions for Employees	53,91,355	43,34,992
II. Rent, Taxes and Lighting	9,77,862	8,48,723
III. Printing and Stationery	86,325	65,928
IV. Advertisement and Publicity	33,663	18,606
V. Depreciation on Bank's property	6,37,140	5,66,043
VI. Directors' Fees, Allowances and Expenses	13,492	13,669
VII. Auditors' Fees and Expenses	14,824	10,046
VIII. Law Charges	1,04,258	73,982
IX. Postages,Telegrams,Telephones, etc.	1,60,275	1,37,686
X. Repairs and Maintenance	2,96,223	2,39,794
XI. Insurance	3,73,587	3,43,506
XII. Other Expenditure*	20,36,639	18,13,297
TOTAL	**1,01,25,643**	**84,66,272**

* includes an amount of ₹ 9.66 crore (Previous year : ₹ 9.15 crore) being Corporate Social Resposibility Expenditure as per requirenment of Section 135 of the Companies Act, 2013

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

SCHEDULE 17 – SIGNIFICANT ACCOUNTING POLICIES

1. BACKGROUND

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

2. BASIS OF PREPARATION

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

3. USE OF ESTIMATES

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

4. INVESTMENTS

4.1 Classification:

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

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

4.2 Basis of Classification:

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

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

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

4.3 Transfer of Securities between Categories:

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

4.4 Acquisition Cost:

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

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

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

4.5 Valuation:

Held for Trading and Available for Sale categories:

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

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

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

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

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

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

Held to Maturity:

These are carried at their acquisition cost and are not marked to market. Any premium on acquisition is amortised over the remaining maturity period of the security on a straight-line basis. Provision is recognised for diminution other than temporary in the value of such investments for each investment individually.

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

4.6 Security Receipts (SR):

Where sale of stressed asset results in a consideration lower than the value of the stressed assets net of provisions carried there against, the shortfall is debited to Profit & Loss account. Where such sale results in consideration higher than the value of the stressed assets net of provisions carried there against, the excess is netted off against the cost of corresponding SRs to arrive at their Book Value.

SRs issued by Asset Reconstruction Companies ('ARC') are valued at Net Asset Value ('NAV') declared by the ARC except in respect of stressed assets which are sold on or after Apr 1, 2018 and the Bank holds more than 90% of SRs backed by its sold assets, the provision held against the Book Value of these SRs is higher of provision required in terms of NAV declared by the ARC and provisioning applicable to the underlying loans, assuming that the assets sold notionally continued in the books of the Bank.

4.7 Disposal of Investments:

Profit/Loss on sale of investment under the aforesaid three categories is recognised in the Profit and Loss Account. The profit on sale of investment in HTM category, net of taxes and transfer to Statutory Reserve, is appropriated to Capital Reserve.

4.8 Repo and reverse repo transactions:

Repo and reverse repo transactions are accounted for as secured borrowing/ lending transactions respectively. Borrowing cost on repo transactions is treated as interest expense and income on reverse repo transactions is treated as interest income.

4.9 Short Sale:

In accordance with the RBI guidelines, the Bank undertakes short sale transactions in Central Government dated securities. The short positions are reflected in 'Securities Short Sold ('SSS') A/c', specifically created for this purpose. Such short positions are categorised under HFT category and netted off from investments in the Balance Sheet. These positions are marked-to-market along with the other securities under HFT portfolio and the resultant mark-to-market gains/losses are accounted for as per the relevant RBI guidelines for valuation of investments discussed earlier.

5. ADVANCES

5.1 In pursuance of guidelines issued by the RBI, advances are classified as Standard, Sub-Standard, Doubtful and Loss Assets and are stated net of specific provisions made towards NPAs and floating provisions.

5.2 Advances are net of bills rediscounted, Inter-bank participation with risk, provisions for non-performing advances, floating provisions, unrealised fees and unrealised interest held in suspense account.

5.3 Credit facility/investment are classified as performing and non-performing asset as per applicable RBI guidelines.

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

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

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

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

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

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

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

5.11 The Bank enters into transactions for the sale or purchase of Priority Sector Lending Certificates (PSLCs). In the case of a sale transaction, the Bank sells the fulfilment of priority sector obligation and in the case of a purchase transaction the Bank buys the fulfilment of priority sector obligation through RBI trading platform. There is no transfer of risks or loan assets. The fee received for the sale of PSLCs is recorded as miscellaneous income and the fee paid for purchase of the PSLCs is recorded as other expenditure in Profit and Loss Account.

6. FIXED ASSETS

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

7. REVALUATION OF FIXED ASSETS

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

8. DEPRECIATION & AMORTISATION

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

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

Assets purchased/sold during the year are depreciated on a pro-rata basis, based on the actual number of days the assets have been put to use.

9. IMPAIRMENT OF ASSETS

The carrying amount of assets is reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the asset over remaining useful life.

10. RECOGNITION OF INCOME AND EXPENDITURE

10.1 Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Bank and the revenue can be reliably measured.

10.2 Items of income and expenditure are accounted on accrual basis.

10.3 Interest income is recognised in the Profit and Loss Account on accrual basis as per Accounting Standard, except in the case of non-performing assets where it is recognised on receipt basis as per the RBI norms.

10.4 Interest income on investments in Pass Through Certificates (PTC) is recognised at the coupon rate.

10.5 Interest income on loans bought out through the direct assignment route is recognised at the effective interest rate i.e. after amortising premium, if any, on the bought out portfolio as per Guidelines on Securitised Transactions issued by the RBI.

10.6 Processing fees on loans are recognised as income on accrual basis, however processing overheads on loans are expensed at the inception of the loan.

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

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

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

11. FOREIGN CURRENCY TRANSACTIONS

11.1 Initial recognition:

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

11.2 Conversion:

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

11.3 Exchange differences:

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

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

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

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

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

12. DERIVATIVE TRANSACTIONS

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

13. EMPLOYEE BENEFITS

13.1 Defined Benefit Plan

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

13.2 Defined Contribution Scheme

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

14. TAXES ON INCOME

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

14.2 Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax

liabilities relate to taxes levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Bank has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

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

15. ACCOUNTING FOR PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

Contingent assets are neither recognised nor disclosed in the financial statements.

16. EMPLOYEE SHARE BASED PAYMENTS

Measurement and disclosure of employee share-based employment plans is done in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 / Guidance Note on Accounting for the Employee Share-based Payments issued by The Institute of Chartered Accountants ('ICAI') of India. The Bank measures compensation cost relating to employee stock options using the fair 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 REGULATORY CAPITAL

1.1 Composition of Regulatory Capital

(₹ in crore)

Particulars		As per Basel III framework	
		As at March 31, 2022	As at March 31, 2021
i	Common Equity Tier 1 capital (CET 1)	3,850.45	3,590.54
ii	Additional Tier 1 capital	-	-
iii	Tier 1 Capital (i + ii)	3,850.45	3,590.54
iv	Tier 2 Capital	749.16	968.66
v	Total Capital (Tier 1+Tier 2)	4,599.61	4,559.20
vi	Total Risk Weighted Assets (RWAs)	24,312.82	23,183.93
vii	CET 1 Ratio (%)	15.84%	15.49%
viii	Tier 1 Ratio (%)	15.84%	15.49%
ix	Tier 2 Ratio (%)	3.08%	4.18%
x	Capital to Risk Weighted Assets Ratio (CRAR) (%)	18.92%	19.67%
xi	Leverage Ratio (%)	8.18%	8.62%
xii	Percentage of shareholding of Government of India	-	-
xiii	Amount of paid-up equity capital raised-		
	Share Capital:	0.44	0.12
	Securities Premium:	1.93	0.55
xiv	Amount of non-equity Tier 1 capital raised	-	-
xv	Amount of Tier 2 capital raised	-	-

1.2 Draw down from Reserves

The Bank has not undertaken any draw down of reserves during the financial year 2021-22.

During the financial year 2020-21, the Bank has drawn down ₹ 1.82 crore from Investment Reserve Account towards depreciation on investment in AFS and HFT categories in terms of RBI guidelines.

2 SUB-ORDINATED DEBT THROUGH PRIVATE PLACEMENT OF BONDS

During the year, the Bank has exercised the call option and redeemed subordinated debt of ₹ 236.60 crore, the details of which are set out below:

(₹ in crore)

Deemed Date of Allotment	Coupon Rate (% p.a.)	Tenure (in months)	Amount
March 31, 2016	10.25	121	86.60
November 18, 2016	9.85	120	150.00

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, 2022	Equivalent Amount as on March 31, 2021
March 31, 2016	10.25	121	-	86.60
November 18, 2016	9.85	120	-	150.00
November 17, 2017	9.85	120	300.00	300.00
January 12, 2018	9.85	120	150.00	150.00
			450.00	**686.60**

3 INVESTMENTS

3.1 Composition of Investment Portfolio as at March 31, 2022

(₹ in crore)

	Investments in India							Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others*	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	
Held to Maturity												
Gross	7,496.10	-	-	100.00	-	-	7,596.10	-	-	-	-	7,596.10
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	**7,496.10**	**-**	**-**	**100.00**	**-**	**-**	**7,596.10**	**-**	**-**	**-**	**-**	**7,596.10**
Available for Sale												
Gross	127.93	-	22.60	25.02	-	1,342.38	1,517.93	-	-	-	-	1,517.93
Less: Provision for depreciation and NPI	0.03	-	-	0.34	-	15.43	15.80	-	-	-	-	15.80
Net	**127.90**	**-**	**22.60**	**24.68**	**-**	**1,326.95**	**1,502.13**	**-**	**-**	**-**	**-**	**1,502.13**
Held for Trading												
Gross	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Investments												
Gross	7,624.03	-	22.60	125.02	-	1,342.38	9,114.03	-	-	-	-	9,114.03
Less: Provision for non-performing investments	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation	0.03	-	-	0.34	-	15.43	15.80	-	-	-	-	15.80
Net	**7,624.00**	**-**	**22.60**	**124.68**	**-**	**1,326.95**	**9,098.23**	**-**	**-**	**-**	**-**	**9,098.23**

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

Composition of Investment Portfolio as at March 31, 2021

(₹ in crore)

	Investments in India							Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others*	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	
Held to Maturity												
Gross	6,588.54	-	-	100.00	-	-	6,688.54	-	-	-	-	6,688.54
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	**6,588.54**	**-**	**-**	**100.00**	**-**	**-**	**6,688.54**	**-**	**-**	**-**	**-**	**6,688.54**
Available for Sale												
Gross	148.50	-	26.68	30.13	-	1,487.61	1,692.92	-	-	-	-	1,692.92
Less: Provision for depreciation and NPI	-	-	4.25	0.54	-	13.90	18.69	-	-	-	-	18.69
Net	**148.50**	**-**	**22.43**	**29.59**	**-**	**1,473.71**	**1,674.23**	**-**	**-**	**-**	**-**	**1,674.23**
Held for Trading												
Gross	-	-	1.33	-	-	49.59	50.92	-	-	-	-	50.92
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	**-**	**-**	**1.33**	**-**	**-**	**49.59**	**50.92**	**-**	**-**	**-**	**-**	**50.92**
Total Investments												
Gross	6,737.04	-	28.01	130.13	-	1,537.20	8,432.38	-	-	-	-	8,432.38
Less: Provision for non-performing investments	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation	-	-	4.25	0.54	-	13.90	18.69	-	-	-	-	18.69
Net	**6,737.04**	**-**	**23.76**	**129.59**	**-**	**1,523.30**	**8,413.69**	**-**	**-**	**-**	**-**	**8,413.69**

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

3.2 Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(₹ in crore)

Partculars	March 31, 2022	March 31, 2021
(i) Movement of provisions held towards depreciation on investments		
(a) Opening balance	18.69	10.85
(b) Add: Provisions made during the year	12.14	14.93
(c) Less: Write-off/ write-back of excess provisions during the year	15.03	7.09
(d) Closing balance	15.80	18.69
(ii) Movement of Investment Fluctuation Reserve (IFR)		
(a) Opening balance	38.64	38.64
(b) Add: Amount transferred during the year	-	-
(c) Less: Drawdown	-	-
(d) Closing balance	38.64	38.64
(iii) Closing balance in IFR as a percentage of closing balance of investment in AFS and HFT category	2.55%	2.22%

3.3 Sale and Transfers to / from HTM Category

During the years ended March 31, 2022 and March 31, 2021, the Bank has not sold and transferred securities to or from HTM category exceeding 5% of the book value of investment held in HTM category at the beginning of the year. The 5% threshold referred to above does not include one-time transfer of securities to/from HTM category with the approval of Board of Directors permitted to be undertaken by banks as per the extant RBI guidelines, sale of securities to the RBI under liquidity management operations of RBI like Open Market Operations (OMO) and the Government Securities Acquisition Programme (GSAP) and sale of securities or transfer to AFS / HFT consequent to the reduction of ceiling on SLR securities under HTM.

3.4 Non-SLR investment portfolio

(a) Non-performing non-SLR Investments

(₹ in crore)

Partculars	March 31, 2022	March 31, 2021
Opening Balance	-	-
Additions during the year	-	-
Reductions during the year	-	-
Closing Balance	-	-
Total provisions held	-	-

(b) Issuer composition of non-SLR investments

Balances as at March 31, 2022

(₹ in crore)

Sr. No.	Issuer	Amount	Extent of Private Placement*#	Extent of 'Below Investment Grade' Securities#	Extent of 'Unrated' Securities#	Extent of 'Unlisted' Securities*#
1.	PSUs	-	-	-	-	-
2.	FIs	138.72	113.70	-	3.70	23.70
3.	Banks	49.62	-	-	-	-
4.	Private Corporates	12.00	12.00	-	10.00	12.00
5.	Subsidiaries/ Joint Ventures	-	-	-	-	-
6.	Others**	1,289.66	-	-	-	-
7.	Provision held towards Depreciation	(15.77)	-	-	-	-
	Total	**1,474.23**	**125.70**	**-**	**13.70**	**35.70**

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

Balances as at March 31, 2021

(₹ in crore)

Sr. No.	Issuer	Amount	Extent of Private Placement*#	Extent of 'Below Investment Grade' Securities#	Extent of 'Unrated' Securities#	Extent of 'Unlisted' Securities*#
1.	PSUs	-	-	-	-	-
2.	FIs	142.28	112.15	-	2.15	22.15
3.	Banks	49.60	-	-	-	-
4.	Private Corporates	18.01	16.68	-	-	8.85
5.	Subsidiaries/ Joint Ventures	-	-	-	-	-
6.	Others**	1,485.45	-	-	-	-
7.	Provision held towards Depreciation	(18.69)	-	-	-	-
	Total	**1,676.65**	**128.83**	**-**	**2.15**	**31.00**

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

3.5 Repo Transactions

Financial Year 2021-22

(₹ in crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Balance as at March 31, 2022
Securities Sold under Repos *	100.00	247.85	103.02	100.00
(i) Government Securities	100.00	247.85	103.02	100.00
(ii) Corporate debt Securities	-	-	-	-
(iii) Any other Securities	-	-	-	-
Securities purchased under Reverse Repos *	397.00	2,609.35	1,489.38	1,616.35
(i) Government Securities	397.00	2,609.35	1,489.38	1,616.35
(ii) Corporate debt Securities	-	-	-	-
(iii) Any other Securities	-	-	-	-

* including securities sold and purchased under LAF and TREPS.
** amounts reported are based on lending/borrowing amount.

Financial Year 2020-21

(₹ in crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Balance as at March 31, 2021
Securities Sold under Repos *	41.00	240.00	115.32	100.00
(i) Government Securities	41.00	240.00	115.32	100.00
(ii) Corporate debt Securities	-	-	-	-
(iii) Any other Securities	-	-	-	-
Securities purchased under Reverse Repos *	241.03	2,355.00	1,446.41	1,349.97
(i) Government Securities	241.03	2,355.00	1,446.41	1,349.97
(ii) Corporate debt Securities	-	-	-	-
(iii) Any other Securities	-	-	-	-

* including securities sold and purchased under LAF and TREPS.
** amounts reported are based on lending/borrowing amount.

4 DERIVATIVES

4.1 Forward Rate Agreements / Interest Rate Swaps

(₹ in crore)

Particulars		March 31, 2022	March 31, 2021
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, 2022	March 31, 2021
i.	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)		
	a) 6.10 G-Sec 2031	817.61	-
	b) 5.85 G-Sec 2030	297.04	-
	c) 6.64 G-Sec 2035	73.72	-
	d) 5.77 G-Sec 2030	-	279.17
	e) 7.65 G-Sec 2029	-	41.17
ii.	Notional principal amount of exchange traded interest rate derivatives outstanding (instrument-wise)	NIL	NIL
iii.	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	NIL	NIL
iv.	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	NIL	NIL

4.3 Disclosures on risk exposure in derivatives:

a) Qualitative Disclosures

Management of Risk in Derivatives Trading

The Bank's market risk unit plays a key role in setting up of the limits and laying down of the risk assessment and monitoring methods. The policies of the Bank include setting limits upon the 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 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, 2022	March 31, 2022	March 31, 2021	March 31, 2021
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	0.12	NIL	0.07
	Minimum	NIL	0.00	NIL	0.01

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 ₹ 1,778.27 crore (Previous year: ₹ 2,944.87 crore).

4.4 Credit Default Swaps

The Bank has not transacted in credit default swaps during the year ended March 31, 2022 (Previous year: NIL).

5 ASSET QUALITY

5.1 Classification of advances and provisions held as of March 31, 2022

(₹ in crore)

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	25,167.27	661.23	422.01	0.20	1,083.44	26,250.71
Add: Additions during the year[1]					1,771.91	
Less: Reductions during the year*					1,565.42	
Closing balance	28,561.42	671.23	615.28	3.42	1,289.93	29,851.35
*Reductions in Gross NPAs due to:					1,565.42	
i) Upgradation					946.05	
ii) Recoveries (excluding recoveries from upgraded accounts)[2,3]					530.92	
iii) Technical/ Prudential Write-offs					50.40	
iv) Write-offs other than those under (iii) above					38.05	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	370.86	148.60	231.69	0.20	380.49	751.35
Add: Fresh provisions made during the year					606.14	
Less: Excess provision reversed/ Write-off loans					391.65	
Closing balance of provisions held	469.53	196.53	395.03	3.42	594.98	1,064.51
Net NPAs						
Opening Balance		403.83	190.32	0.00	594.15	
Add: Fresh additions during the year[4]					1,152.84	
Less: Reductions during the year					1,173.76	
Closing Balance		352.98	220.25	0.00	573.23	
Floating Provisions						
Opening Balance						108.80
Add: Additional provisions made during the year						12.92
Less: Amount drawn down during the year						0.00
Closing balance of floating provisions						121.72
Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts						494.65
Add: Technical/ Prudential write-offs during the year						50.40
Less: Recoveries/Sacrifice made from previously technical/ prudential written-off accounts during the year[5]						52.59
Closing balance						492.46

1. Includes fresh NPAs during the year.
2. Includes recoveries of ₹ 38.77 crore from NPAs sold to asset reconstruction company.
3. Includes recoveries in upgraded accounts of ₹ 32.30 crore.
4. Includes addition to NPAs net off provisions on such NPAs and additional provision on existing NPAs.
5. Includes ₹ 41.78 crore pertaining to accounts sold to asset reconstruction company.

Classification of advances and provisions held as of March 31, 2021

(₹ in crore)

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	25,058.07	384.74	239.74	7.03	631.51	25,689.58
Add: Additions during the year[1]					686.16	
Less: Reductions during the year*					234.23	
Closing balance	25,167.27	661.23	422.01	0.20	1,083.44	26,250.71
*Reductions in Gross NPAs due to:					234.23	
i) Upgradation					33.17	
ii) Recoveries (excluding recoveries from upgraded accounts)[2]					74.74	
iii) Technical/ Prudential Write-offs					125.40	
iv) Write-offs other than those under (iii) above					0.92	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	193.08	108.26	126.39	7.03	241.68	434.76
Add: Fresh provisions made during the year					306.33	
Less: Excess provision reversed/ Write-off loans					167.52	
Closing balance of provisions held	370.86	148.60	231.69	0.20	380.49	751.35
Net NPAs						
Opening Balance		180.16	113.35	0.00	293.51	
Add: Fresh additions during the year[3]					367.35	
Less: Reductions during the year					66.71	
Closing Balance		403.83	190.32	0.00	594.15	
Floating Provisions						
Opening Balance						96.32
Add: Additional provisions made during the year						12.48
Less: Amount drawn down during the year						0.00
Closing balance of floating provisions						108.80
Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts						374.18
Add: Technical/ Prudential write-offs during the year						125.40
Less: Recoveries/Sacrifice made from previously technical/ prudential written-off accounts during the year						4.93
Closing balance						494.65

1. Includes fresh NPAs during the year.
2. Includes recoveries in upgraded accounts of ₹ 2.56 crore.
3. Includes addition to NPAs net off provisions on such NPAs and additional provision on existing NPAs.

Assets quality Ratios

Particulars	March 31, 2022	March 31, 2021
Gross NPA to Gross Advances (%)	4.32%	4.13%
Net NPA to Net Advances (%)	1.97%	2.31%
Provision Coverage Ratio (%)	67.84%	62.35%

5.2 Divergence in the asset classification and provisioning

There was no divergence observed by the RBI for the FY 2019-20 and Bank is not in receipt of any communication from RBI in this regard for FY 2020-2021.

5.3 Sector-wise Advances and Gross NPAs

Financial Year 2021-22

(₹ in crore)

Sr. No.	Sector	March 31, 2022		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A	**Priority Sector**			
1	Agriculture and allied activities	3,308.52	189.32	5.72%
2	Industry of which-	2,178.75	40.27	1.85%
	Constructions	754.65	9.58	1.27%
	Textiles	344.52	9.93	2.88%
3	Services of which-	5,660.67	211.91	3.74%
	Retail Trade	2,097.42	35.51	1.69%
	Wholesale Trade	1,124.14	28.65	2.55%
	Transport Operators	1,038.31	110.09	10.60%
4	Personal loans of which-	3,345.89	99.75	2.98%
	Housing Loans	3,322.20	98.58	2.97%
	Sub-total (A) (1+2+3+4)	**14,493.83**	**541.25**	**3.73%**
B	**Non Priority Sector**			
1	Agriculture and allied activities	518.24	12.04	2.32%
2	Industry of which-	1,672.25	118.73	7.10%
	Constructions	381.25	33.60	8.81%
	Textiles	213.26	8.31	3.90%
	Food Processing	207.64	18.42	8.87%
3	Services of which-	6,408.84	416.66	6.50%
	Retail Trade	2,362.68	149.07	6.31%
	NBFC	1,556.71	3.13	0.20%
4	Personal loans	6,758.19	201.25	2.98%
	Housing Loans	3,991.29	71.28	1.79%
	Gold Loans	1,886.13	85.64	4.54%
	Sub-total (B) (1+2+3+4)	**15,357.52**	**748.68**	**4.88%**
	Total (A+B)	**29,851.35**	**1,289.93**	**4.32%**

Financial Year 2020-21

(₹ in crore)

Sr. No.	Sector	March 31, 2021		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A	**Priority Sector**			
1	Agriculture and allied activities	2,860.43	132.85	4.64%
2	Industry of which-	2,456.42	97.03	3.95%
	Constructions	637.19	14.92	2.34%
	Textiles	619.45	17.62	2.85%
3	Services of which-	7,666.57	447.67	5.84%
	Retail Trade	2,646.99	129.29	4.88%
	Transport Operators	1,740.95	162.11	9.31%
	Wholesale Trade	1,720.34	88.53	5.15%
4	Personal loans of which-	2,710.48	69.91	2.58%
	Housing Loans	2,660.23	68.40	2.57%
	Sub-total (A) (1+2+3+4)	**15,693.90**	**747.46**	**4.76%**
B	**Non Priority Sector**			
1	Agriculture and allied activities	123.55	3.64	2.94%
2	Industry of which-	1,434.68	62.48	4.36%
	Constructions	345.82	1.91	0.55%
	All Engineering	196.27	1.00	0.51%
	Food Processing	148.74	1.66	1.11%
3	Services of which-	4,511.44	116.99	2.59%
	Retail Trade	1,260.09	27.04	2.15%
	NBFC	1,110.26	4.30	0.39%
	Professional Services	560.58	9.73	1.74%
4	Personal loans	4,487.14	152.87	3.41%
	Housing Loans	2,730.13	88.97	3.26%
	Gold Loans	759.94	35.00	4.61%
	Sub-total (B) (1+2+3+4)	**10,556.81**	**335.98**	**3.18%**
	Total (A+B)	**26,250.71**	**1,083.44**	**4.13%**

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

5.4 RESTRUCTURED ACCOUNTS

Details of restructured accounts are given in the table below:

(₹ in crore)

		Agriculture and allied activities		Corporates (excluding MSME)		Micro, Small and Medium Enterprises (MSME)		Retail (excluding agriculture and MSME)		Total	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Standard	Number of borrowers	51	12	5	4	3,916	2,696	4,440	2,155	**8,412**	**4,867**
	Gross Amount[1]	2.68	0.48	50.60	42.24	1,144.96	650.79	853.05	399.52	**2,051.29**	**1,093.03**
	Provision held	0.19	0.06	18.61	15.15	168.94	81.44	99.32	42.74	**287.06**	**139.39**
Sub-standard	Number of borrowers	2	-	-	-	785	387	63	29	**850**	**416**
	Gross Amount	0.28	-	-	-	128.52	105.66	12.71	12.06	**141.51**	**117.72**
	Provision held	0.04	-	-	-	40.06	28.23	2.32	2.58	**42.42**	**30.81**
Doubtful	Number of borrowers	3	5	-	-	288	1	384	510	**675**	**516**
	Gross Amount	1.44	1.50	-	-	72.49	0.45	57.58	78.33	**131.51**	**80.28**
	Provision held	0.91	0.80	-	-	49.39	0.29	44.22	46.25	**94.52**	**47.34**
Total	**Number of borrowers**	**56**	**17**	**5**	**4**	**4,989**	**3,084**	**4,887**	**2,694**	**9,937**	**5,799**
	Gross Amount	**4.40**	**1.98**	**50.60**	**42.24**	**1,345.97**	**756.90**	**923.34**	**489.91**	**2,324.31**	**1,291.03**
	Provision held	**1.14**	**0.86**	**18.61**	**15.15**	**258.39**	**109.96**	**145.86**	**91.57**	**424.00**	**217.54**

1. Excludes Interest accrued but not due of ₹ 104.31 crore (previous year: ₹ 14.32 crore).

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

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

(₹ in crore)

Particulars	March 31, 2022	March 31, 2021
1. Total number of accounts restructured at the end of year*	3,916	2,696
2. Amount outstanding	1,144.96	650.79

*represents number of borrowers.

5.6 Disclosures on implementation of resolution plan as required under RBI circular dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets

Financial Year 2021-22

(₹ in crore)

Particulars	Resolution Plan implemented	Resolution Plan not implemented
No. of borrower where timeline for implementation of resolution plan was before 31st March 2022	-	2
Fund based outstanding as on 31st March 2022	-	33.23
Additional provision held as per RBI circular of June 7, 2019	-	11.63

Financial Year 2020-21

(₹ in crore)

Particulars	Resolution Plan implemented	Resolution Plan not implemented
No. of borrower where timeline for implementation of resolution plan was before 31st March 2021	-	2
Fund based outstanding as on 31st March 2021	-	30.54
Additional provision held as per RBI circular of June 7, 2019	-	6.63

5.7 Disclosures on COVID 19 regulatory package – review of resolution timelines under the prudential framework on resolution of stressed assets RBI circular DOR.No.BP.BC.62/21.04.048/2019-20 dated April 17, 2020

Financial Year 2020-21

(₹ in crore)

Particulars	March 31, 2021
No. of accounts in which resolution period was extended	1
Fund based outstanding	27.09

5.8 Disclosures on COVID 19 regulatory package – assets classification and provisioning as per RBI circular DOR. No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020

(₹ in crore)

Particulars		March 31, 2022	March 31, 2021
1.	Amounts in SMA/overdue categories, where the moratorium/ deferment was ex-tended (As at March 31, 2020)	NA	1,908.08
2.	Amount where asset classification benefits is extended	NA	-
3.	Provision made in terms of paragraph 5 of the circular	NA	68.00
4.	Provisions adjusted against slippages during the year	NA	68.00
5.	Residual provision held	NA	-

5.9 India is steadily coming out of disruptions caused by Covid-19 pandemic. The extent to which any new wave of Covid-19 will impact the Bank's operations is dependent on future developments.

Under the circumstances, as at March 31, 2022, on a prudent basis, the Bank holds a contingency provision of ₹ 70.41 crore towards possible impact of Covid-19 on standard restructured and stressed assets. As on March 31, 2022, in addition to the above, the Bank holds Floating Provision amounting to ₹ 121.72 crore, besides provisions for Standard Assets and specific Non-Performing Assets.

5.10 Disclosures on Resolution Framework for COVID 19 related Stress as per RBI circular DOR.No.BP. BC.3/21.04.048/2020-21 dated August 06, 2020 (Resolution Framework 1.0) and RBI circular DOR.STR. REC.11/21.04.048/2021-22 dated May 05, 2021 (Resolution Framework 2.0)

Financial Year 2021-22

(₹ in crore)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year[1,2] (i.e. September 30, 2021) (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2022	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year[3] (i.e. March 31, 2022)
Personal Loans	574.39	2.43	-	17.89	556.51
Corporate persons	52.10	-	-	15.84	36.38
Of which, MSMEs	15.28	-	-	6.42	8.90
Others	190.27	0.91	-	3.84	186.76
Total	**816.76**	**3.34**	**-**	**37.57**	**779.65**

1. Includes cases where resolution plan implemented after September 30, 2021.
2. Represents fund based outstanding as of September 30, 2021.
3. Represents fund based outstanding as of March 31, 2022.

Financial Year 2020-21

(₹ in crore)

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans	2,147	397.06	-	-	39.71
Corporate persons	1	25.75	-	-	2.58
Of which, MSMEs	1	25.75	-	-	2.58
Others	-	-	-	-	-
Total	**2,148**	**422.81**	**-**	**-**	**42.29**

5.11 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, 2022	As at March 31, 2021
(a)	Number of frauds reported during the year	54	92
(b)	Amount involved in fraud	3.53	14.44
(c)	Amount involved in fraud net of recoveries/ write-offs as at the end of the year	3.35	1.05
(d)	Provisions made during the year	3.35	0.70
(e)	Quantum of unamortised provision debited from 'other reserves' at the end of the year	NIL	NIL

5.12 Details of financial assets (including written off accounts) sold to Securitisation / Reconstruction Company for Asset Reconstruction

The Bank has sold certain assets to an asset reconstruction company (ARC) in terms of the guidelines issued by the RBI. The details of the assets sold are given in the table below:

(₹ in crore)

	Particulars	As at March 31, 2022	As at March 31, 2021
(a)	No. of accounts	43	NIL
(b)	Aggregate value (net of provisions) of accounts sold to SC/RC	43.99	NIL
(c)	Aggregate consideration	38.77	NIL
(d)	Additional consideration realised in respect of accounts transferred in earlier years	NIL	NIL
(e)	Aggregate gain/(loss) over net book value	(5.22)	NIL

5.13 Details of investment in security receipts (SRs)

Details of investment in security receipts as at March 31, 2022 are set out below:

(₹ in crore)

Particulars	SRs issued within past 5 years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years ago
(i) Book value of SRs backed by NPAs sold by the bank as underlying	24.47	24.67	-
Provision held against (i)	3.44	24.67*	-
(ii) Book value of SRs backed by NPAs sold by other banks/ financial institutions/non-banking financial companies as underlying	-	-	-
Provision held against (ii)	-	-	-
Total (i + ii)	**24.47**	**24.67**	**-**

*includes provision of ₹ 12.68 crore made on investment in SRs under Schedule 5 – Other Liabilities and Provisions

Details of investment in security receipts as at March 31, 2021 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	33.43	5.36	-
Provision held against (i)	13.90	-	-
(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)	**33.43**	**5.36**	**-**

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

(i) The Bank has not transferred any non-performing assets (NPAs).

(ii) The Bank has not transferred any Special Mention Account (SMA) and loan not in default.

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

(₹ in crore)

Particulars		March 31, 2022
(a)	Aggregate amount of loans acquired	421.89
(b)	Weighted average residual maturity (in years)	4.81
(c)	Weighted average holding period by originator (in years)	0.65
(d)	Retention of beneficial economic interest by the originator	10%
(e)	Tangible security coverage*	100%

*Tangible security of loans acquired during the year is more than 100% however the same is restricted to 100% coverage for the purpose of this disclosure.

The loans acquired are not rated as these are to non-corporate borrowers.

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

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

(₹ in crore)

Particulars		March 31, 2022	March 31, 2021
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, 2022	March 31, 2021
1.	No. of accounts sold during the year	NIL	NIL
2.	Aggregate outstanding	NIL	NIL
3.	Aggregate consideration received	NIL	NIL

5.16 Provisions on Standard Assets

(₹ in crore)

Particulars	March 31, 2022	March 31, 2021
Provision for Standard Assets[1]	288.07	160.07
General provision for COVID-19	-	-
Provision for Unhedged Foreign Currency Exposure of borrowers	2.75	2.75
Provision for Specific Standard Assets[2]	116.54	158.09
Total (Refer Schedule 5-IV(i) – Other Liabilities and Provisions)	407.36	320.91

1. Includes provision for standard restructured assets.
2. Include of ₹ 70.41 crore (Previous year: ₹ 124 crore) towards likely impact of Covid-19 on restructured and stressed assets. (Refer note 5.9)

6 BUSINESS RATIOS

Particulars	March 31, 2022	March 31, 2021
Interest Income as a percentage to Working Funds (%)[1]	8.51	8.95
Non-Interest Income as a percentage to Working Funds (%)[1]	1.09	1.15
Cost of deposits (%)	6.05	6.49
Net Interest Margin (%)[2]	3.56	3.59
Operating Profit as a percentage to Working Funds (%)[1,3]	1.93	2.29
Return on Assets (%)[4]	0.70	0.87
Business per employee (₹ in crore)[5, 6]	8.61	8.29
Profit after tax per employee (₹ in crore)[6]	0.04	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. Ratio of Net Interest Income to average earning assets.
3. For the purpose of this ratio, Operating Profit is profit for the year before provisions and contingencies.
4. Assets have been considered as the average of total monthly assets as reported to the Reserve Bank of India in Form X under Section 27 of the Banking Regulation Act, 1949.
5. For the purpose of this ratio, business has been recorded as deposits (excluding interbank deposits) plus net advances.
6. For the purpose of this ratio, employees have been considered as the average of the total employees at the end of each month of the year.

7 OTHER FIXED ASSETS (including furniture and fixtures)

The movement in fixed assets capitalized as software is given below:

(₹ in crore)

Particulars	March 31, 2022	March 31, 2021
Cost		
As at March 31 of the preceding year	136.26	100.58
Additions during the year	10.52	35.68
Deductions during the year	-	-
Total (a)	**146.78**	**136.26**
Depreciation		
As at March 31 of the preceding year	85.55	74.30
Charge for the year	12.72	11.25
On deductions during the year	-	-
Total (b)	**98.27**	**85.55**
Net value as at March 31 of the current year (a-b)	**48.51**	**50.71**

8 ASSET LIABILITY MANAGEMENT

8.1 Maturity pattern of certain items of assets and liabilities as at March 31, 2022

(₹ in crore)

Maturity Buckets	Loans and Advances	Investments#	Deposits	Borrowings	Foreign Currency Assets@	Foreign Currency Liabilities
Day 1	80.02	2,086.87	275.95	-	45.63	13.84
2 to 7 days	546.93	74.30	801.25	55.00	419.22	5.30
8 to 14 days	397.61	-	891.30	2.86	-	2.24
15 to 30 days	512.96	62.03	860.29	10.50	265.27	1.71
31 days to 2 months	958.84	558.24	1,879.05	17.69	6.14	1.83
Over 2 months & upto 3 months	896.96	-	1,834.31	245.36	72.21	19.10
Over 3 months & upto 6 months	1,137.49	321.00	3,617.25	360.56	22.17	44.55
Over 6 months & upto 1 year	2,218.00	2,253.35	7,689.45	1,039.86	-	89.16
Over 1 year & upto 3 years	10,515.80	3,397.77	15,511.18	1,676.26	-	47.24
Over 3 years & upto 5 years	2,895.41	212.00	894.28	673.75	-	7.43
Over 5 years	8,935.76	132.67	437.38	-	7.39	-
Total	**29,095.78**	**9,098.23**	**34,691.69**	**4,081.84**	**838.03**	**232.40**

@ excludes foreign currency bills discounted as they are booked in Indian Rupees.
# The amounts placed in repo and LAF lending for overnight placement of surplus liquidity do not form part of the investments numbers mentioned above.

Maturity pattern of certain items of assets and liabilities as at March 31, 2021

(₹ in crore)

Maturity Buckets	Loans and Advances	Investments#	Deposits	Borrowings	Foreign Currency Assets@	Foreign Currency Liabilities
Day 1	258.08	1,254.54	903.66	-	23.66	52.19
2 to 7 days	364.24	1.33	743.93	70.00	286.42	2.25
8 to 14 days	277.73	9.58	763.90	62.86	-	2.06
15 to 30 days	753.33	88.61	751.42	386.60	-	5.97
31 days to 2 months	253.92	93.23	1,463.13	309.36	17.54	8.37
Over 2 months & upto 3 months	340.60	291.26	925.26	57.86	53.92	24.73
Over 3 months & upto 6 months	1,049.61	810.71	2,608.49	184.97	34.91	56.02
Over 6 months & upto 1 year	1,386.51	1,472.22	5,517.93	794.28	37.80	74.23
Over 1 year & upto 3 years	10,122.68	3,874.69	14,960.05	1,967.98	-	51.26
Over 3 years & upto 5 years	2,842.56	415.41	659.20	648.34	-	0.55
Over 5 years	8,087.94	102.11	406.89	-	7.13	-
Total	**25,737.20**	**8,413.69**	**29,703.86**	**4,482.25**	**461.38**	**277.63**

@ excludes foreign currency bills discounted as they are booked in Indian Rupees.
# The amounts placed in repo and LAF lending for overnight placement of surplus liquidity do not form part of the investments numbers mentioned above.

Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI, which has been relied upon by the auditors.

8.2 Liquidity Coverage Ratio (LCR)

(A) Quantitative Disclosures

Financial Year 2021-22

(₹ in crore)

		Q1 FY 2021-22		Q2 FY 2021-22		Q3 FY 2021-22		Q4 FY 2021-22	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total 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)		8,543.29		9,017.69		8,734.06		8,353.47
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which:	20,459.90	1,700.04	21,045.95	1,755.14	21,464.73	1,795.17	22,236.42	1,869.83
(i)	Stable Deposits	6,919.12	345.96	6,989.13	349.46	7,026.17	351.31	7,076.35	353.82
(ii)	Less Stable Deposits	13,540.78	1,354.08	14,056.82	1,405.68	14,438.56	1,443.86	15,160.07	1,516.01
3	Unsecured wholesale funding, of which:	6,724.40	4,284.51	7,212.35	4,700.95	6,982.11	4,593.82	7,321.35	4,768.14
(i)	Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii)	Non-operational deposits (all counterparties)	4,066.49	1,626.60	4,185.67	1,674.27	3,980.48	1,592.19	4,255.35	1,702.14
(iii)	Unsecured debt	2,657.91	2,657.91	3,026.68	3,026.68	3,001.63	3,001.63	3,066.00	3,066.00
4	Secured wholesale funding		0.00		0.00		0.00		0.00
5	Additional requirements, of which	4,385.20	1,112.15	4,531.92	1,083.94	4,522.55	1,216.25	4,959.52	1,475.40
(i)	Outflows related to derivative exposures and other collateral requirements	879.86	879.86	808.20	808.20	875.07	875.07	1,103.80	1,103.80
(ii)	Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii)	Credit and liquidity facilities	3,505.34	232.29	3,723.72	275.74	3,647.48	341.18	3,855.72	371.60
6	Other contractual funding obligations	742.41	742.41	675.37	675.37	910.75	910.75	586.05	586.05
7	Other contingent funding obligations	2,475.79	96.52	1,593.38	52.52	1,721.18	58.96	1,828.83	63.90
8	**Total Cash Outflows**		**7,935.63**		**8,267.92**		**8,574.95**		**8,763.32**
Cash Inflows									
9	Secured lending (e.g. reverse repos)	1,261.86	0.00	1,619.61	0.00	1,407.16	0.00	1,222.30	0.00
10	Inflows from fully performing exposures	682.50	635.26	662.82	622.62	732.69	628.46	1,263.23	974.79
11	Other cash inflows	1,220.47	963.77	1,170.43	882.51	1,248.79	966.78	1,339.64	1,123.50
12	**Total Cash Inflows**	**3,164.83**	**1,599.03**	**3,452.86**	**1,505.13**	**3,388.64**	**1,595.24**	**3,825.17**	**2,098.29**
			Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**
	TOTAL HQLA		**8,543.29**		**9,017.69**		**8,734.06**		**8,353.47**
	Total Net Cash Outflows		**6,336.60**		**6,762.79**		**6,979.71**		**6,665.03**
	Liquidity Coverage Ratio (%)		**134.82%**		**133.34%**		**125.13%**		**125.33%**

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

Financial Year 2020-21

(₹ in crore)

		Q1 FY 2020-21		Q2 FY 2020-21		Q3 FY 2020-21		Q4 FY 2020-21	
		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)		8,360.13		7,898.85		8,322.76		7,992.54
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which:	18,037.37	1,495.64	18,715.38	1,544.65	19,337.78	1,599.21	19,932.31	1,652.46
(i)	Stable Deposits	6,161.97	308.10	6,537.83	326.89	6,691.36	334.57	6,815.55	340.78
(ii)	Less Stable Deposits	11,875.40	1,187.54	12,177.55	1,217.76	12,646.42	1,264.64	13,116.76	1,311.68
3	Unsecured wholesale funding, of which:	7,067.43	4,191.76	6,683.14	3,902.90	6,554.22	3,818.02	6,594.31	4,020.10
(i)	Operational deposits (all counterparties)	0.20	0.20	-	-	-	-	-	-
(ii)	Non-operational deposits (all counterparties)	4,792.79	1,917.12	4,633.73	1,853.49	4,560.34	1,824.14	4,290.36	1,716.15
(iii)	Unsecured debt	2,274.44	2,274.44	2,049.41	2,049.41	1,993.88	1,993.88	2,303.95	2,303.95
4	Secured wholesale funding		0.00		0.00		0.00		0.00
5	Additional requirements, of which	4,230.08	889.90	4,150.50	968.38	4,707.50	1,563.52	4,412.08	1,068.14
(i)	Outflows related to derivative exposures and other collateral requirements	645.47	645.47	737.34	737.34	1,332.59	1,332.59	826.61	826.61
(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	3,584.61	244.43	3,413.16	231.04	3,374.91	230.93	3,585.47	241.53
6	Other contractual funding obligations	530.20	530.20	355.77	355.77	404.84	404.84	506.71	506.71
7	Other contingent funding obligations	3,833.87	160.07	3,308.56	136.66	3,106.50	127.94	2,895.53	118.21
8	**Total Cash Outflows**		**7,267.57**		**6,908.36**		**7,513.53**		**7,365.62**
Cash Inflows									
9	Secured lending (e.g. reverse repos)	1,861.84	0.00	1,403.70	0.00	1,427.07	0.00	1,001.46	0.00
10	Inflows from fully performing exposures	526.73	485.27	611.49	554.22	355.53	294.39	737.92	692.27
11	Other cash inflows	1,021.89	713.91	1,077.11	787.55	1,638.94	1,369.03	1,151.99	892.53
12	**Total Cash Inflows**	**3,410.46**	**1,199.18**	**3,092.30**	**1,341.77**	**3,421.54**	**1,663.42**	**2,891.37**	**1,584.80**
			Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**
	TOTAL HQLA		**8,360.13**		**7,898.85**		**8,322.76**		**7,992.54**
	Total Net Cash Outflows		**6,068.39**		**5,566.59**		**5,850.11**		**5,780.82**
	Liquidity Coverage Ratio (%)		**137.77%**		**141.90%**		**142.27%**		**138.26%**

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 April 01, 2021.

The LCR is being computed and monitored on daily simple average basis. The objective of the LCR is to ensure that the Bank maintains an adequate level of unencumbered HQLAs that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario specified by supervisors. Further at a minimum, the stock of liquid assets should enable the Bank to survive until day 30 of the stress scenario, by which time it is assumed that appropriate corrective actions can be taken.

The numerator, High Quality Liquid Assets comprises mainly of excess SLR securities, cash, excess CRR balances, Marginal Standing Facility ('MSF') to the extent of 3 per cent till December 31, 2021 and 2 per cent from January 01, 2022 of Net Demand and Time Liabilities ('NDTL') as guided by the RBI Circular and Facility to Avail Liquidity for Liquidity Coverage Ratio ('FALLCR') up to another 15 per cent of NDTL while the denominator i.e. cash outflow over next 30 days comprises mainly of the deposit maturities and other cash outflows net of cash inflows in next 30 day period. As a part of its strategy to manage the liquidity requirements, the Bank has been consistently investing in SLR securities of about 2% to 5% of its NDTL, over and above the regulatory SLR requirement.

HQLA of the Bank comprises of mainly Level-1 assets as per the RBI guidelines i.e. government securities apart from cash and excess CRR.

The major source of funding for the Bank is deposits from customers. The Bank does not rely on interbank borrowings. However, long term refinance from SIDBI, NABARD and NHB is availed against eligible loan assets. Further, the Bank has committed lines of credit from 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 2021-22, the cash inflows in next 30 days denominated in the USD were usually higher than the cash outflows in next 30 days denominated in USD.

The liquidity management of the Bank is centralized at Treasury. Treasury Front Office shall, depending upon the expected outflows and inflows for the day, decide to borrow or lend to maintain optimal liquidity. Treasury Back Office monitors the expected inflows and outflows by way of maintaining a register which records the expected outflows and inflows that are informed in advance by the branches as well as by Treasury Front Office before making any investment. For this purpose, branches are required to inform the Treasury Back Office in advance of any expected large flows above ₹ 5 crore. Also, Treasury Back Office takes into account the deposits that are scheduled to mature in order to arrive at the expected cash outflows for that particular day. As a part of effective liquidity management, the Bank always maintains excess SLR securities which can be pledged to meet the shortfall in intraday liquidity, if any.

8.3 Net Stable Funding Ratio (NSFR)
(A) Quantitative Disclosures

Financial Year 2021-22

(₹ in crore)

		Net Stable Funding Ratio (NSFR)									
		As on December 31, 2021					As on March 31, 2022				
		Unweighted value by residual maturity				Weighted value	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
	ASF Item										
1	Capital: (2+3)	3,881.52	-	300.00	150.00	4,031.52	4,149.61	-	450.00	-	4,149.61
2	Regulatory capital	3,591.06	-	-	-	3,591.06	3,850.45	-	-	-	3,850.45
3	Other capital instruments	290.46	-	300.00	150.00	440.46	299.16	-	450.00	-	299.16
4	Retail deposits and deposits from small business customers: (5+6)	7,058.50	3,554.74	4,094.21	7,160.76	20,635.33	7,987.64	4,463.78	3,570.16	7,010.57	21,690.73
5	Stable deposits	2,647.19	966.47	1,143.73	2,121.38	6,640.90	3,029.30	1,230.80	954.56	1,979.19	6,933.12
6	Less stable deposits	4,411.31	2,588.27	2,950.47	5,039.38	13,994.43	4,958.34	3,232.98	2,615.60	5,031.38	14,757.61
7	Wholesale funding: (8+9)	1,164.53	6,074.88	3,024.03	2,857.58	6,160.68	1,157.98	5,102.32	4,749.65	4,281.43	8,250.63
8	Operational deposits	-	-	-	-	-	-	-	-	-	-
9	Other wholesale funding	1,164.53	6,074.88	3,024.03	2,857.58	6,160.68	1,157.98	5,102.32	4,749.65	4,281.43	8,250.63
10	Other liabilities: (11+12)	419.86	1,051.72	1,259.69	186.94	162.95	267.72	1,274.03	1,977.54	183.13	108.48
11	NSFR derivative liabilities				-					-	
12	All other liabilities and equity not included in the above categories	419.86	1,051.72	1,259.69	186.94	162.95	267.72	1,274.03	1,977.54	183.13	108.48
13	**Total ASF (1+4+7+10)**					**30,990.48**					**34,199.45**
	RSF Item	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
14	Total NSFR high-quality liquid assets (HQLA)					354.37					375.68
15	Deposits held at other financial institutions for operational purposes	45.63	-	-	-	22.81	52.43	-	-	-	26.21
16	Performing loans and securities: (17+18+19+21+23)	-	2,300.43	797.03	23,755.17	20,848.56	-	2,609.67	1,958.29	24,543.29	22,009.23
17	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-	-	-	-	-	-
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	491.50	63.08	754.28	859.54	-	932.68	48.04	753.16	917.09
19	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	1,808.93	733.95	18,274.32	16,804.62	-	1,676.99	1,910.25	18,609.48	17,611.67
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	-	-	-	-	-	-	-
21	Performing residential mortgages, of which:	-	-	-	4,165.91	2,707.84	-	-	-	4,615.42	3,000.02
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	4,165.91	2,707.84	-	-	-	4,615.42	3,000.02
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	560.66	476.56	-	-	-	565.23	480.45
24	Other assets: (sum of rows 25 to 29)	-	83.73	1,415.13	4,917.62	4,989.02	-	88.02	1,828.27	5,058.65	5,133.92
25	Physical traded commodities, including gold	-	-	-	-	-	-	-	-	-	-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-		82.22		69.89	-		85.02		72.27
27	NSFR derivative assets	-		1.07		1.07	-		2.80		2.80
28	NSFR derivative liabilities before deduction of variation margin posted	-		0.45		0.45	-		0.20		0.20
29	All other assets not included in the above categories	-	-	1,415.13	4,917.62	4,917.61	-	-	1,828.27	5,058.65	5,058.65
30	Off-balance sheet items	-	-	-	5,930.20	268.79	-	-	-	7,049.79	324.30
31	**Total RSF (14+15+16+24+30)**	**-**	**-**	**-**	**-**	**26,483.55**	**-**	**-**	**-**	**-**	**27,869.34**
32	**Net Stable Funding Ratio (%)**					**117.02%**					**122.71%**

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

(B) Qualitative Disclosures

Pursuant to the RBI guidelines on NSFR dated May 17, 2018, DCB Bank has been subjected to the Basel III NSFR standards from 1st October 2021. NSFR aims to improve the resilience of banks by promoting long-term funding stability. It mandates banks to maintain a stable funding profile vis-à-vis the composition of their assets and off-balance sheet activities. It reduces the probability of erosion of a bank's liquidity position due to disruptions to its regular sources of funding. The NSFR guidelines of RBI stipulate the applicable Required Stable Funding ("RSF") factor for each category of asset and Available Stable Funding ("ASF") factor for each type of funding source. NSFR represents the ratio of the bank's ASF to RSF. The breakdown of the bank's ASF and RSF amounts after applying the respective ASF or RSF factors are provided in the "weighted amount" column of the NSFR disclosure format.

The Available Stable Funding (ASF) is primarily driven by the total regulatory capital as per Basle III Capital Adequacy guidelines stipulated by RBI and deposits from retail customers, small business customers and non-financial corporate customers. Under the Required Stable Funding (RSF), the primary drivers are unencumbered performing loans with residual maturities of one year or more, excluding loans to financial institutions.

9 CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAs

9.1 Concentration of Deposits

(₹ in crore)

Particulars	March 31, 2022	March 31, 2021
Total deposits of twenty largest depositors*	2,189.98	2,073.71
Percentage of deposits of twenty largest depositors to total deposits of the Bank	6.31%	6.98%

*Excludes holders of Certificates of Deposits.

9.2 Concentration of Advances

(₹ in crore)

Particulars	March 31, 2022	March 31, 2021
Total advances to twenty largest borrowers	1,717.77	1,544.85
Percentage of Advances to twenty largest borrowers to total advances of the bank	5.03%	5.04%

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

9.3 Concentration of Exposures

(₹ in crore)

Particulars	March 31, 2022	March 31, 2021
Total Exposures to twenty largest borrowers / customers	1,978.81	1,815.25
Percentage of Exposures to twenty largest borrowers / Customers to Total Exposures of the bank on borrowers / Customers	5.55%	5.62%

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

9.4 Concentration of NPAs

(₹ in crore)

Particulars	March 31, 2022	March 31, 2021
Total Exposure to top twenty NPA accounts	161.30	153.58
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	12.50%	14.18%

Notes:

1. NPAs are taken on gross basis.
2. Fund based exposures identified as NPAs.

9.5 Off-Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms) as on March 31, 2022 and March 31, 2021

Name of the SPV sponsored	
Domestic	Overseas
NIL	NIL

10 EXPOSURES

10.1 Exposure to the Real Estate Sector

(₹ in crore)

Category	March 31, 2022	March 31, 2021
a) Direct Exposure		
(i) Residential Mortgages(*)	6,412.94	5,210.80
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented:		
(*) Includes Individual housing loans eligible for inclusion in priority sector advances – ₹ 3,135.36 crore (Previous year: ₹ 2,512.21 crore)		
(ii) Commercial Real Estate	1,930.18	1,584.41
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).	650.83	397.18
Total Exposure to the Real Estate Sector	**8,993.95**	**7,192.39**

10.2 Exposure to the Capital Market

(₹ in crore)

Particulars	March 31, 2022	March 31, 2021
i. Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	28.60	22.83
ii. Advances against shares/bonds/ debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
iii. Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	1.14	1.44
iv. Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/ convertible debentures/units of equity oriented mutual funds does not fully cover the advances;	-	-
v. Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	355.15	274.46
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	**384.89**	**298.73**

10.3 Risk category-wise country exposure

(₹ in crore)

Risk Category	Exposure (net) as at March 31, 2022	Provision held as at March 31, 2022	Exposure (net) as at March 31, 2021	Provision held as at March 31, 2021
Insignificant	551.85	-	185.68	-
Low	228.95	-	265.00	-
Moderate Low	3.31	-	2.34	-
Moderate	-	-	3.21	-
Moderate High	-	-	-	-
High	-	-	-	-
Very High	-	-	-	-
Total	**784.11**	**-**	**456.23**	**-**

10.4 Details of Large Exposures Framework limits exceeded by the Bank

As per regulatory guidelines, with effect from April 1, 2019 in case of single counterparty, the sum of all the exposure values of a bank to a single counterparty must not be higher than 20 percent of the bank's available eligible capital base at all times. In exceptional cases, Board of bank may allow an additional 5 percent exposure of the bank's available eligible capital base. In case of group of connected counterparties, the sum of all the exposure values of a bank to a group of connected counterparties must not be higher than 25 percent of the bank's available eligible capital base at all times.

The eligible capital base for this purpose is the effective amount of Tier 1 capital fulfilling the criteria defined in Master Circular on Basel III – Capital Regulation /Master Direction on 'Basel III Capital Regulations' as per the last audited balance sheet.

During the years ended March 31, 2022 and March 31, 2021, the Bank has not exceeded the prudential exposure limits as laid down by the RBI guidelines under Large Exposure Framework.

10.5 Intra Group Exposure

(₹ in crore)

Particulars	March 31, 2022	March 31, 2021
Total amount of intra-group exposure	NIL	NIL
Total amount of top-20 intra-group exposure	NIL	NIL
Percentage of intra group exposure to total exposure of the Bank on borrower/ customer	NIL	NIL
Details of breach of limit on intra group exposure and regulatory action thereon, if any	NIL	NIL

10.6 Unsecured Advances

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

(₹ in crore)

Particulars	March 31, 2022	March 31, 2021
Total unsecured gross advances of the Bank	1,429.90	1,244.77
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	NIL	NIL
Estimated value of such intangible securities	NIL	NIL

10.7 Factoring Business

The outstanding receivables acquired by the Bank under factoring business were ₹ 450.49 crore as at March 31, 2022 (Previous year:₹ 107.32 crore).

10.8 Unhedged Foreign Currency Exposure (UFCE)

In accordance with the RBI guidelines on banks' exposures to entities with Unhedged Foreign Currency Exposure ('UFCE'), the Bank has put in place a mechanism to seek information from its borrowers and to evaluate the currency induced credit risk. In the case of listed entities, the Bank obtains information relating to unhedged positions based on the latest available audited / reviewed financial statements; whilst in the case of unlisted / private companies, the Bank obtains the aforesaid information based on the latest available audited financial statements (not exceeding a financial year) so as to estimate the extent of likely loss and to provide for incremental capital or to recognize incremental provision in accordance with the aforesaid guidelines. Further, as per the above-mentioned guidelines, the Bank obtains audited and certified UFCE information from the statutory auditors of the borrowers on an annual basis. In the case of smaller entities i.e. entities with exposure to banking industry of less than ₹ 25 crore and as identified by the Bank as having any foreign exchange exposure, the Bank recognizes an incremental provision at 10 basis points on all such exposures.

The incremental provisions and capital held by the Bank towards this risk, included in the Bank's financials are as under:

(₹ in crore)

Particulars	March 31, 2022	March 31, 2021
Provisioning Requirement for UFCE	2.75	2.75
Risk weight on account of UFCE	49.65	53.28
Capital Requirement at 9%	4.47	4.80

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 ₹ 16.05 crore for the year ended March 31, 2022 (Previous year ₹ 14.13 crore).

During the year, the Bank has contributed ₹ 1.00 crore (previous year ₹ 0.85 crore) to the National Pension Scheme for employees who had opted for the scheme.

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

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

(₹ in crore)

Particulars	March 31, 2022	March 31, 2021
Balance Sheet – Details of provision for Gratuity		
Defined benefit obligation	28.26	27.07
Fair value of plan Assets	27.71	26.17
Net Assets/(Liabilities)	**(0.55)**	**(0.90)**
Amounts in Balance Sheet		
Assets (included in Schedule 11 – Other Assets)	-	-
Liabilities (included in Schedule 5 – Other Liabilities and Provisions)	0.55	0.90
Change in Defined Benefit Obligations		
Obligations at the beginning of the year	**27.07**	**24.25**
Interest Cost	1.48	1.32
Current Service Cost	2.57	2.55
Past Service Cost	-	-
Benefits paid	(3.82)	(1.35)
Actuarial (gain)/loss on Obligation	0.96	0.30
Present value of obligation at the end of the year	**28.26**	**27.07**
Change in the Fair value of Plan Assets		
Fair value of plan assets at the beginning of the year	**26.17**	**22.91**
Expected Return on plan assets	1.89	1.72
Contributions	4.00	2.00
Benefits paid	(3.82)	(1.35)
Actuarial gain/(Loss) on plan assets	(0.53)	0.89
Fair value of plan assets at the end of the year	**27.71**	**26.17**
Cost for the year		
Current service cost	2.57	2.55
Interest cost	1.48	1.32
Expected return on plan assets	(1.89)	(1.72)
Net Actuarial (gain)/loss recognised in the year	1.49	(0.59)
Past service cost	-	-
Expense recognised in "Payments to and Provision for Employees" [Refer Schedule-16 (I)]	**3.65**	**1.56**
Actual return on plan assets	1.36	2.61
Experience Adjustments		
On obligation	1.10	0.15
On plan assets	(0.53)	0.89
Assumptions		
Discount rate	5.89% p.a.	5.58% p.a.
Expected return on plan assets	7.00% p.a.	7.00% p.a.
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Future salary increases	5.00% p.a.	5.00% p.a.

Experience adjustments

(₹ in crore)

Particulars	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Plan assets	27.71	26.17	22.91	19.27	15.66
Defined benefit obligation	28.26	27.07	24.25	19.83	16.79
Surplus / (Deficit)	(0.55)	(0.90)	(1.34)	(0.56)	(1.13)
Experience adjustment gain/ (loss) on plan assets	(0.53)	0.89	0.32	0.16	(0.26)
Experience adjustment (gain) /loss on plan liabil-ities	1.10	0.15	1.67	0.98	0.51

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 52%), high rated corporate bonds (CY about 33%, PY about 35%), units of mutual funds/ insurance companies (CY about 6%, PY about 8%) and others (CY about 10%, PY about 5%) 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 ₹ 9.66 crore (Previous year: ₹ 8.96 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, 2022	March 31, 2021
Basic		
Net Profit (₹ in crore)	287.50	335.79
Weighted average number of equity shares outstanding	310,638,511	310,464,925
Basic Earnings per share (₹)	9.26	10.82
Diluted		
Net Profit (₹ in crore)	287.50	335.79
Weighted average number of equity shares outstanding	312,826,393	313,708,662
Diluted Earnings per share (₹)	9.19	10.70
Face value per share (₹)	10.00	10.00

Dilution of equity is on account of 2,187,882 (Previous year 3,243,737) 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
January 18, 2022	86.45	1,031,524	-

Under the Employees' Stock Options Plan, options vest in a graded manner over a 5-year period from the date of grant, the details of which are set out below:

End of the Year	For Sub Plan 1			For Sub Plan 2	
	Till August 16, 2010	From August 17, 2010 to December 31, 2020	From January 01, 2021	Till December 31, 2020	From January 01, 2021
1st	-	-	33.33%	-	33.33%
2nd	-	30%	33.33%	30%	33.33%
3rd	40%	30%	33.34%	30%	33.34%
4th	30%	20%	-	20%	-
5th	30%	20%	-	20%	-

Method used for accounting for ESOP

RBI, vide its clarification dated August 30, 2021 on Guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff, advised Banks that the fair value of share-linked instruments on the date of grant should be recognised as an expense for all instruments granted after the accounting period ending March 31, 2021. Accordingly, the Bank has valued its stock options granted after March 31, 2021 using the fair value method under its Employee' Stock Options Plan. The fair value of the stock options is estimated on the date of grant using Black-Scholes model and is recognised as employee cost over the vesting period.

Activity in options outstanding under Employees Stock Option Plan.

Particulars	March 31, 2022		March 31, 2021	
	Number of options	Weighted Average Exercise Price	Number of options	Weighted Average Exercise Price
Options outstanding at the beginning of the year	8,275,840	64.46	6,797,370	63.07
Granted during the year	1,031,524	86.45	1,710,500	70.38
Exercised during the year	440,350	52.73	120,700	53.63
Forfeited/Lapsed during the year	215,400	74.43	111,330	82.27
Options outstanding at the end of the year*	8,651,614	67.43	8,275,840	64.46
Options exercisable	6,077,590	63.21	6,116,240	60.92

*Includes 5,000 (Previous year: 1,000) employee stock options exercised, pending for allotment.

The weighted average share price in respect of options exercised and allotted during the year ended March 31, 2022 is ₹ 77.97 (Previous year ₹ 94.02).

Summary of stock options outstanding as on March 31, 2022 is given below

Range of exercise price (Rupees per share)	Number of shares arising out of options	Weighted average exercise price (₹)	Weighted average remaining contractual life (Number of years)
₹ 17.00 – ₹ 24.00	700	19.49	1.37
₹ 25.00 – ₹ 109.00	8,116,804	63.89	6.90
₹ 110.00– ₹ 200.00	534,110	121.41	6.28

There were 440,350 stock options exercised during the year ended March 31, 2022.

Summary of stock options outstanding as on March 31, 2021 is given below:

Range of exercise price (Rupees per share)	Number of shares arising out of options	Weighted average exercise price (₹)	Weighted average remaining contractual life (Number of years)
₹ 17.00 – ₹ 24.00	700	19.49	2.37
₹ 25.00 – ₹ 109.00	7,738,730	60.50	7.13
₹ 110.00– ₹ 200.00	536,410	121.63	7.39

There were 120,700 stock options exercised during the year ended March 31, 2021.

Fair value Methodology

The fair value of options used to compute proforma net income and earnings per equity share have been estimated using the binomial option-pricing model for options granted upto March 31, 2021. The Bank estimated the volatility based on the historical share prices.

The fair value of the stock options granted after March 31, 2021 is estimated on the date of grant using Black-Scholes model and is recognised as employee cost over the vesting period. Accordingly, the Bank has recognised ₹ 0.42 crore during the financial year 2021-22.

The various assumptions considered in the pricing model for ESOPs granted during the year ended March 31, 2022 were:

Particular	March 31, 2022
Dividend Yield	1.16%
Expected Volatility	38.85% to 41.32%
Risk Free Interest Rate	5.47% to 6.15%
Expected life of options	3.77 to 5.77 years

The various assumptions considered in the pricing model for ESOPs granted during the year ended March 31, 2021 were:

Particular	March 31, 2021
Dividend Yield	1.05% to 1.14%
Expected Volatility	48.84% to 48.86%
Risk Free Interest Rate	5.73%
Expected life of options	6.37 to 6.41 years

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

The weighted average fair value of options granted during the year ended March 31, 2022 was ₹ 33.49 (Previous year ₹ 23.50).

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

Impact of Fair Value Method on Net Profit and EPS

Had the compensation cost for the Bank's stock option plans on outstanding ESOPs granted upto March 31, 2021 been determined based on the fair value approach, the Bank's net profit and earnings per share would have been as per the proforma amounts indicated below:

(₹ in crore)

Particular	March 31, 2022	March 31, 2021
Net Profit (as reported)	287.50	335.79
Add: Stock based compensation expense accounted	(0.01)	0.00
	287.49	**335.79**
Less: Stock based compensation expense determined under fair value based method (proforma)	1.26	1.50
Net Profit (proforma)	286.23	334.29

Particular	March 31, 2022	March 31, 2021
Basic earnings per share (as reported)	9.26	10.82
Basic earnings per share (proforma)	9.21	10.77
Diluted earnings per share (as reported)	9.19	10.70
Diluted earnings per share (proforma)	9.15	10.66

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 2021-22**	**FY 2020-21**	**FY 2021-22**	**FY 2020-21**	**FY 2021-22**	**FY 2020-21**	**FY 2021-22**	**FY 2020-21**	**FY 2021-22**	**FY 2020-21**
Revenue	918.40	990.10	350.14	393.14	3,247.05	3,109.27	46.00	32.19	4,561.59	4,524.70
Unallocated Revenue									(0.24)	(0.13)
Total Revenue[1]									**4,561.35**	**4,524.57**
Result	112.69	190.94	4.56	(5.54)	242.56	254.52	43.63	30.52	403.44	470.44
Unallocated Result									(13.89)	(17.64)
Total									**389.55**	**452.80**
Unallocated expenses									-	-
Operating profit									796.98	885.81
Income taxes									(102.05)	(117.01)
Extraordinary profit / loss	-	-	-	-	-	-	-	-	-	-
Net profit									**287.50**	**335.79**
Other Information										
Segment assets	14,092.95	12,509.94	3,797.23	3,441.93	26,493.55	23,327.50	-	-	44,383.73	39,279.37
Unallocated assets									456.41	322.76
Total assets									**44,840.14**	**39,602.13**
Segment liabilities	7,577.58	7,102.06	2,811.62	2,508.18	30,400.28	26,231.28	0.69	0.73	40,790.17	35,842.25
Unallocated liabilities[2]									4,049.97	3,759.88
Total liabilities									**44,840.14**	**39,602.13**
Capital Expenditure	0.17	0.15	1.23	1.95	95.78	71.69	-	-	97.18	73.79
Unallocable									7.48	6.46
Total Capital Expenditure									**104.66**	**80.25**
Depreciation	1.16	1.09	0.80	0.67	60.57	53.67	-	-	62.53	55.43
Unallocable									1.18	1.18
Total Depreciation									**63.71**	**56.60**
Non Cash Expenses[3]	12.47	0.42	66.95	91.29	325.97	333.65	-	-	405.39	425.36
Unallocable									12.92	12.48
Total Non Cash Expenses									**418.31**	**437.84**

1. Revenue i.e. Total Revenue includes inter-segment revenue of ₹ 596.54 crore in FY 2021-22 (Previous year ₹ 620.53 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 ₹ 3,964.81 crore in FY 2021-22 (Previous year: ₹ 3,904.04 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 managerial renumeration of the Key Management Personnel of the Bank are as under:

(₹ in crore)

Particulars	March 31, 2022	March 31, 2021
Mr. Murali M. Natrajan: Managing Director Managerial Remuneration	5.61	5.60

Managerial Remuneration excludes perquisite value of employee stock options exercised.

11.6 Deferred Tax

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

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
A.	DTA :		
	(i) Provision for Loan Losses (minus deduction u/s 36(1)(viia) of the Income Tax Act, 1961)	277.14	194.05
	(ii) Others	4.28	4.28
	Total DTA [A]	**281.42**	**198.33**
B.	DTL :		
	(i) Depreciation	13.27	11.90
	(ii) Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961	38.16	30.44
	(iii) Others	-	-
	Total DTL [B]	**51.43**	**42.34**
C.	**NET DTA [A – B]**	**229.99**	**155.99**

11.7 Assets Taken Under Operating Leases

(₹ in crore)

Particulars	March 31, 2022	March 31, 2021
Minimum Lease Rent payable		
Payable not later than 1 year	55.50	49.09
Payable later than 1 year but not later than 5 years	195.85	174.29
Payable later than 5 years	316.63	238.81
Total	**567.98**	**462.19**
The total of lease payments recognised in the Profit and Loss Account for the year	57.04	54.36

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 2021-22 an amount of ₹ 6.03 crore (Previous year: ₹ 6.03 crore) has been charged to the Profit and Loss Account and this amount has been transferred from Revaluation Reserve to "Balance in Profit and Loss Account".

11.9 Contingent Liabilities

Description of Contingent Liabilities:

Sr. No.	Contingent Liability (*)	Brief Description
1.	Claim against the Bank not acknowledged as Debts	An amount of ₹ 35.49 crore (Previous year: ₹ 44.04 crore) is outstanding as at March 31, 2022, as claims against the Bank not acknowledged as Debts, including ₹ 19.50 crore (Previous year: ₹ 28.50 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 15 on pending litigation cases)
2.	Liability on account of outstanding forward exchange and derivative contracts	An amount of ₹ 1,778.27 crore (Previous year: ₹ 2,944.87 crore) is outstanding as at March 31, 2022. 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 standardized, 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 ₹ 1,409.65 crore (Previous year: ₹ 1,335.47 crore) is outstanding as at March 31, 2022. 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 ₹ 1,838.68 crore (Previous year: ₹ 1,525.44 crore) is outstanding as at March 31, 2022. These include liability on account of repo and reverse repo transaction, 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.

12 Additional Disclosures

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

(₹ in 000's)

Particulars	March 31, 2022	March 31, 2021
Provision for Income Tax		
- Current	1,760,503	1,796,418
- Deferred (Refer note 11.6)	(740,050)	(626,266)
Provision/write-off towards non-performing assets	2,840,824	2,524,995
Floating Provision	129,212	124,812
Provision for Standard Assets*	864,521	2,090,097
General provision for COVID-19	-	(630,000)
Sacrifice in One Time Settlement	55,492	18,653
Provision for Other Assets and Contingencies	12,380	667
Provisions for Restructured Advances	171,898	200,879
Total	**5,094,780**	**5,500,255**

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

12.2 Depositor Education and Awareness Fund (DEA Fund)

In accordance with the guidelines issued by the RBI, the Bank transfers the amount to the credit of any account which has not been operated upon for a period of ten years or any deposit or any amount remaining unclaimed for more than ten years to the DEA Fund.

Details of amounts transferred to DEAF are set out below:

(₹ in crore)

Particulars	March 31, 2022	March 31, 2021
Opening balance of amounts transferred to DEA Fund	55.28	45.17
Add : Amounts transferred to DEA Fund during the year	7.21	10.29
Less : Amounts reimbursed by DEA Fund towards claims	0.86	0.18
Closing balance of amounts transferred to DEA Fund	61.63	55.28

12.3 Customer Complaints+

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

Sr. No	Particulars	As at March 31, 2022	As at March 31, 2021
	Complaints received by the bank from its customers		
1	Number of complaints pending at beginning of the year	2,282	3,080
2	Number of complaints received during the year	32,603	33,470
3.	Number of complaints disposed during the year	34,310	34,268
3.1	Of which, number of complaints rejected by the bank	913	1,890
4.	Number of complaints pending at the end of the year	575	2,282
	Maintainable complaints received by the bank from Office of Ombudsman		
5.	Number of maintainable complaints received by the bank from Office of Ombudsman	554	665
5.1	Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman	554	468
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	20	5
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the bank	0	0
6.	Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

+ As compiled by the Management and relied upon by the auditors.

b) **Top grounds of complaints received by bank from customers+**

Financial Year 2021-22

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Loans and Advances	942	11,175	16%	224	9
(a) Rate of Interest/ EMI/ Tenure Disputes					
(b) Document not received					
(c) Others					

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
ATM/Debit Cards	240	8,693	-7%	148	2
(a) Card not working					
(b) Cash not dispensed at other ATMs					
(c) Others					
Internet/Mobile/ Electronic Banking	264	4,282	-23%	48	1
(a) Payment gateway transaction disputes					
(b) Internet Banking login/password issues					
c) Others					
Account opening/ difficulty in operation of accounts	418	4,619	-9%	44	1
(a) Transactions submitted at branches					
(b) Instruction updates					
(c) Others					
Para-banking	178	1,316	111%	61	9
(a) Policy documents not received (Loans related)					
(b) Policy Cancellation (Health/Life Insurance)					
(c) Others					

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Mis-selling	55	551	32%	7	1
(a) Information related wrt gold loan					
(b) Information related wrt Mortgage Loan					
(c) Others					
Others	185	1,967	-30%	43	7
(a) SMS/Email alerts sent but not received					
(b) Charges related disputes					
Total	**2,282**	**32,603**	**-3%**	**575**	**30**

Financial Year 2020-21

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Loans and Advances	334	9,641	206%	942	382
(a) Rate of Interest Disputes					
(b) Part payment/ foreclosure credits					
(c) Others					
ATM/Debit Cards	198	9,372	3%	240	30
(a) Cash not dispensed at other ATMs					
(b) Errors at point of sale transactions					
(c) Others					

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Internet/Mobile/ Electronic Banking	685	5,539	81%	264	106
(a) Payment gateway transaction disputes					
(b) Internet Banking login/password issues					
(c) Others					
Account opening/ difficulty in operation of accounts	235	5,069	52%	418	80
(a) Transactions submitted at branches					
(b) Instruction updates					
(c) Others					
Para-banking	60	623	34%	178	141
(a) Policy documents not received (Loans related)					
(b) Policy documents not received (Health/Life Insurance)					
(c) Others					
Mis-selling	28	417	24%	55	39
(a) Information given by front- line					
(b) Information related wrt gold loan					
(c) Others					

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Others	1,540	2,809	-34%	185	116
(a) SMS/Email alerts sent but not received					
(b) Charges related disputes					
Total	**3,080**	**33,470**	**42%**	**2,282**	**894**

The Bank has an "Integrated Complaints Management System" in which complaints are logged and addressed. Complaints are reviewed on a regular basis to ensure timely response to customers.

In Q1 FY2021-22, Covid-19 second wave impacted India. The Covid-19 disruptions & restrictions somewhat resulted in delays in response to customers and had some impact on service levels. The Bank regularly takes measures to improve process & systems to enhance customer service.

+ As compiled by the Management and relied upon by the auditors.

12.4 Letters of Comfort (LoC) / Letters of Undertaking (LoU)

The Bank has stopped issuing any fresh LoU in line with the RBI guidelines dated March 13, 2018 in this regard. Outstanding LoU as on March 31, 2022 was ₹ NIL (Previous year: ₹ NIL).

12.5 Small and Micro Industries

Under the Micro, Small and Medium Enterprises Development Act, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments. The above is based on the information available with the Bank which has been relied upon by the auditors.

12.6 Priority Sector Lending Certificates ('PSLCs') (Category-wise) sold and purchased during the year

(₹ in crore)

Particulars	As at March 31, 2022	As at March 31, 2021
PSLC purchased during the year		
(i) PSLC – Agriculture	-	350.00
(ii) PSLC – SF/MF	-	760.00
(iii) PSLC – Micro Enterprises	-	-
(iv) PSLC – General	-	-
Total	**-**	**1,110.00**
PSLC sold during the year		
(i) PSLC – Agriculture	-	155.00
(ii) PSLC – SF/MF	-	600.00
(iii) PSLC – Micro Enterprises	3,646.25	4,350.00
(iv) PSLC – General	1,950.00	2,900.00
Total	**5,596.25**	**8,005.00**

12.7 Income from Bancassurance Business

(₹ in crore)

Sr. No.	Nature of Income	March 31, 2022	March 31, 2021
1	For selling life insurance policies	33.15	20.23
2	For selling non-life insurance policies	7.69	6.87
3	For selling mutual fund products	1.07	0.94
	Total	41.91	28.04

12.8 Income from Marketing and distribution

The Bank has received fees of ₹ 31.39 crore (Previous year: ₹ 27.73 crore) with respect to marketing and distribution function (excluding bancassurance business) during the financial year 2021-22.

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

The Ministry of Corporate Affairs (MCA), Government of India has notified the Companies (Indian Accounting Standards) Rules, 2015 on February 16, 2015. Further, a Press Release was issued by the MCA on January 18, 2016 outlining the roadmap for implementation of Indian Accounting Standards (IND AS) converged with International Financial Reporting Standards (IFRS) for banks. As per earlier instructions, banks in India were required to comply with the IND AS for financial statements for accounting periods beginning from April 01, 2018 onwards, with comparatives for the periods ending March 31, 2018 or thereafter. Progressing towards IND AS, the Bank had prepared pro forma 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; however, the Bank continues to submit to the RBI proforma financials on half year basis.

12.10 Payment of DICGC Insurance Premium

(₹ in crore)

Sr. No.	Particulars	March 31, 2022	March 31, 2021
1.	Payment of DICGC Insurance Premium	34.26*	31.79*
2.	Arrears in payment of DICGC premium	NIL	NIL

*Excluding Goods and Service Tax

13 OTHER MATTERS

13.1 Disclosure of penalties imposed by RBI

During the year ended March 31, 2022, RBI had imposed penalty of ₹ 0.001 crore on the Bank on March 30, 2022, for violation of the RBI guidelines on "Monitoring of Availability of Cash in ATMs," on account of "Cash Out", at one of Banks ATM during the month of November 2021.

During the year ended March 31, 2021, RBI vide its letter dated October 28, 2020 had directed the Bank to pay a penalty of ₹ 0.22 crore for violation of RBI guidelines, directions etc. in respect of Para Banking activities. The Bank paid the penalty on October 29, 2020.

13.2 Corporate Social Responsibility (CSR)

The Bank was required to spend ₹ 9.60 crore (Previous year: ₹ 9.14 crore) during the financial year 2021-22 towards Corporate Social Responsibility (CSR), in accordance with Companies Act, 2013.

The Bank has spent an amount of ₹ 9.66 crore (Previous year: ₹ 9.15 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 2021-22 towards CSR are as under:

(₹ in crore)

Particulars	In cash	Yet to be paid in cash (i.e. provision)	Total
1) Construction/acquisition of any assets	-	-	-
2) For purposes other than (1) above:	9.66	-	9.66

The details of amount spent during FY 2020-21 towards CSR are as under:

(₹ in crore)

Particulars	In cash	Yet to be paid in cash (i.e. provision)	Total
1) Construction/acquisition of any assets	-	-	-
2) For purposes other than (1) above:	9.15	-	9.15

13.3 Remuneration

a) Qualitative disclosures

Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee of the Board consists of Independent Directors with one member from the Risk Management Committee of the Board.

The main mandate of the Nomination & Remuneration Committee of the Board are:

- Deciding the size and composition of the Board and appointment of persons for the same.
- Recommending to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- Evaluation of every director's performance and making recommendations for remuneration for Non-Executive Directors, Senior Management and the Key Managerial Personnel (KMP) of the Bank.
- Approving the ESOP and creation, subscription and allotment of shares to the eligible employees under this approved ESOP.
- Review appointments, promotions, demotions, terminations and review performance appraisals of CEO, KMP and Senior Management of the Bank.
- Review and approve succession plans Board, KMP and Senior Management.

Design and Structure /Objectives of Compensation Policy

The Bank has put in place a Board approved Compensation Policy. The Bank's objective is to maintain a Compensation Policy that the Bank is able to attract, retain talent and motivate talent to perform at high standards. It facilitates a performance culture in the Bank. The compensation will be risk aligned taking into account, the long term performance of the Bank. The Compensation Policy is aligned with the statutory and regulatory guidelines.

This Policy is applicable to all employees of the Bank including;

- Whole Time Directors (WTDs)

- Managing Director & Chief Executive Officer (MD & CEO)
- Material Risk Takers (MRTs): Material Risk Takers as defined as those employees whose actions have a material impact on the risk exposure of the Bank.
- Risk, Compliance and Control employees
- Other categories of employees: All employees in support and other management functions including front line employees.

Compensation structure consisting of:
i) fixed pay including perquisites, contributions towards superannuation/retiral benefits,
ii) variable pay in cash and equity linked instruments including ESOP.

Risk adjustments in remuneration

In general, the review of Risk Management framework shall be an integral part of the annual performance review applicable to all employees. The methodologies for adjusting remuneration to risk and performance will be consistent with the general risk management and corporate governance framework of the Bank. A wide variety of measures of credit, market, liquidity and other risks shall be taken into consideration in implementation of risk adjustment, such that no risks over the accepted risk appetite of the Bank are being taken against the interest of the Bank.

Performance linked variable compensation

The Bank aims to align pay structure across levels in the annual rewards exercise (Compensation Revision) carried out keeping the following considerations, namely performance of the bank, individual and business unit, alignment of risks with the remuneration, encouraging rewards based on the long term contributions to the bank, cost/ income ratio of the bank, capital adequacy ratio, employee turnover on account of increased demand of talent in the industry and other related factors.

Malus/ Clawback clause is an integral part of the compensation Policy and is applicable as a risk adjustment/ alignment measure, wherein Malus permits the Bank to prevent vesting in full or in part of the amount of a deferred remuneration for an employee. Clawback is an agreement between the employee and the Bank in which the employee agrees to return previously paid or vested remuneration to the Bank. Conditions for Malus/ Bank have been specified in the Bank's Compensation Policy.

In alignment to the RBI Guidelines applicable from April 01, 2020, the Bank has a policy on deferral and vesting of variable pay for applicable categories of employees as follows:

Deferral of Variable Pay: A minimum of 60% of the total variable pay shall be under deferral arrangements. At least 50% of the cash bonus shall be deferred. However, in cases where the cash component of variable pay is under ₹ 25 lakhs, deferral would not be required.

Period of Deferral Arrangement: This would be applied to both the cash and equity linked components of the variable pay. The deferral period shall be for a minimum period of three years.

Vesting: The vesting shall be no faster than on pro-rata basis. Vesting shall not take place more frequently than on a yearly basis to ensure a proper assessment of risks before the application of any adjustments.

Limit on Variable pay: At least 50% of the total compensation shall be variable. Variable pay shall be limited to a maximum of 300% of the fixed pay. Where the variable pay is up to 200% of the fixed pay, a minimum of 50% of the variable pay shall be via equity linked instruments; and in case the variable pay is above 200%, a minimum of 67% of the variable pay shall be via equity linked instruments. In an event that an employee is

barred by statute/ regulation from grant of equity linked instruments, their variable pay shall be capped at 150% of the fixed pay.

b) Quantitative disclosures

(₹ in crore)

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
(a)	Number of meetings held by the Nomination and Remuneration Committee during the financial year	7	9
(b)	Remuneration paid to the members of the Nomination and Remuneration Committee	0.13	0.16
(c)	Number of employees having received a variable remuneration award during the financial year (as per compensation policy)	7*	6*
(d)	Number and total amount of sign-on awards made during the financial year	NIL	NIL
(e)	Details of guaranteed bonus, if any, paid as joining / sign on bonus	NIL	NIL
(f)	Details of severance pay, in addition to accrued benefits, if any	NIL	NIL
(g)	Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms	Cash 2.04 Share linked instruments 3.30** (fair value of 984,629 options)	Cash 1.38
(h)	Total amount of deferred remuneration paid out in the financial year	0.99	0.99
(i)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred#	Fixed 15.01 Variable 6.60* -Deferred Cash 1.65 Share linked instruments 3.30** -Non Deferred 1.65	Fixed 14.43 Variable 3.70* -Deferred NIL -Non Deferred 3.70
		No. of stock options granted during the financial year – 984,629	No. of stock options granted during the financial year – 250,000
(j)	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and / or implicit adjustment	5.34	1.38
(k)	Total amount of reductions during the financial year due to ex-post explicit adjustments	NIL	NIL
(l)	Total amount of reductions during the financial year due to ex-post implicit adjustment	NIL	NIL
(m)	Number of MRTs identified	8	8
(n)	Number of cases where malus has been exercised	NIL	NIL
(o)	Number of cases where clawback has been exercised	NIL	NIL
(p)	Number of cases where both malus and clawback have been exercised	NIL	NIL
(q)	The mean pay for the bank as a whole (excluding sub-staff)	0.062	0.062
(r)	The deviation of the pay of each of its WTDs from the mean pay.	5.55	5.54

* Pertains to FY 2020-21 paid in FY 2021-22 (Previous year: pertains to FY 2019-20 paid in FY 2020-21)

** Fair value of stock options computed using Black-Scholes options pricing model as on the grant date.
# 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 ₹ 1.31 crore (Previous year: ₹ 1.35 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, 2022 subject to approval of the shareholders in the ensuing Annual General Meeting.

Considering the situation developing around Covid-19 in the country and related uncertainty that it creates, the Board of Directors of the Bank had considered it prudent not to propose any dividend for the year ended March 31, 2021.

13.6 Disclosure under Rule 11(e) of the Companies (Audit & Auditors) Rules, 2014

The Bank, as part of its normal business, grants loans and advances (including loans against third party deposits or other margins / security), makes investment, provides guarantees (including against margin / guarantees received from third parties / banks) to and accepts deposits and borrowings from its customers, other entities and persons. These transactions are part of Bank's normal banking finance business, which is conducted ensuring adherence to regulatory requirements.

Other than the transactions described above

(a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in other persons or entities identified by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or like on behalf of the Ultimate Beneficiaries.

(b) The Bank has not received any funds from any person(s) or entity(ies) ("Funding Party") with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

14 Net overnight open position outstanding as on March 31, 2022 was ₹ 2.56 crore (Previous year: ₹ 0.45 crore).

15 The Bank's pending litigations comprise of claims against the Bank by the clients and proceedings pending with Income Tax authorities. The Bank has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Management believes that the possibility of an outflow of resources embodying economic benefits in these cases is possible but not probable and hence no provision is required in these cases. However, a contingent liability has been disclosed with respect to these cases. Refer note 11.9 for details on contingent liabilities.

16 The Bank has a process whereby periodically all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. 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.

17 Previous year's figures have been regrouped / reclassified, wherever considered necessary, in order to make them comparable with figures for the current year.

Pursuant to the requirements of 'Master Direction on Financial Statements – Presentation and Disclosures' issued by RBI dated August 30, 2021, recoveries from written off accounts hitherto included as part of 'Other Income' have been classified as a credit to 'Provision and Contingencies' and 'Provision for Depreciation on Investments' hitherto classified as part of 'Provisions and Contingencies' have been reclassified as part of 'Other Income'; there is no change in the Net Profit for the period.

18 These are the notes appended to and forming part of the financial statements for the year ended March 31, 2022.

For and on behalf of the Board of Directors

Murali M. Natrajan	**Rupa Devi Singh**	**Amyn Jassani**	**Bharat Sampat**	**Rubi Chaturvedi**
MD & CEO	Director	Director	Chief Financial Officer	Company Secretary
DIN-00061194	DIN-02191943	DIN-02945319		

As per our report of even date.

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

Sarvesh Warty
Partner
Membership No. : 121411

Place : Mumbai
Date : May 07, 2022

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

P Menakshi Sundaram
Partner
Membership No. : 217914

Place : Mumbai
Date : May 07, 2022

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, 2022, 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 April 01, 2021 to October 01, 2021. Consequently, Basel III Capital Regulations will be fully implemented as on October 01, 2021.

Tier-I capital includes paid-up equity capital, securities premium, statutory reserves, capital reserves, special reserve, revaluation reserve, other disclosed free reserves and balance in Profit and Loss account. Profits in current financial year may be included in Tier I based on fulfilment of certain conditions regarding incremental provisions for non-performing assets.

Equity Capital

The Bank has authorised share capital of ₹ 5 billion comprising 500,000,000 equity shares of ₹10/- each. As on March 31, 2022 the Bank has issued subscribed and paid-up capital of ₹ 3.11 billion, constituting 310,976,463 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, 2022 the Bank had an outstanding subordinated debt (Unsecured Redeemable Non-convertible Bonds) aggregating ₹ 4,500 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, 2022
17 November 2017	9.85%	120	3,000.0
12 January 2018	9.85%	120	1,500.0
Total			**4,500.0**

Composition of Capital – Tier I and Tier II

(₹ million)

Particulars	As on March 31, 2022
1. Tier I capital	
1.1 Paid-up share capital	3,109.8
1.2 Reserves	35,425.7
1.3 Gross Tier I capital (1.1 + 1.2)	38,535.5
1.4 Deductions	31.0
1.5 Total Tier I capital (1.3 - 1.4)	**38,504.5**
2. Tier II capital	
2.1 Subordinated Debt (Lower Tier II bonds)	4,500.0
2.2 General Provisions	2,991.6
2.3 Gross Tier II capital (2.1 + 2.2)	7,491.6
2.4 Deductions	-
2.5 Total Tier II capital (2.3 - 2.4)	**7,491.6**
3. Debt capital instruments eligible for inclusion in Upper Tier II capital	
3.1 Total amount outstanding	-
3.2 Of which amount raised during the current year	-
3.3 Amount eligible to be reckoned as capital funds	-

Particulars	As on March 31, 2022
4. Subordinated debt eligible for inclusion in Lower Tier II capital	
4.1 Total amount outstanding	4,500.0
4.2 Of which amount raised during the current year	-
4.3 Amount eligible to be reckoned as capital funds	4,500.0
5. Other deductions from capital	
5.1 Other deductions from capital	-
6. Total eligible capital	
6.1 Total eligible capital (1.5 + 2.5)	**45,996.1**

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. 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, 2022. 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 18.92% as on March 31, 2022 (as against minimum regulatory requirement of 11.50%). The Tier I CRAR stands at 15.84% 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, 2022
1. Capital requirement for Credit Risk	**18,756.8**
• Portfolio subject to Standardised Approach	18,395.3
• Securitization Exposures	361.5
2. Capital requirement for Market Risk	**397.0**
• Standardised Duration Approach	
o Interest Rate Risk	221.2
o Foreign Exchange Risk (Including gold)	54.0
o Equity Risk	121.8
3. Capital requirement for Operational Risk	**2,380.5**
• Basic Indicator Approach	2,380.5
Total capital requirements (1 + 2 + 3)	**21,534.3**
Total capital	**45,996.1**
CRAR %	**18.92 %**
Tier-I CRAR %	**15.84 %**

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 Risk Officer (CRO)

All the Executive Level Committees meet at least once in a month. ALCO however meets more frequently depending upon market conditions.



Note: Information Security is a part of Operational Risk – IT and reports to the Chief Risk Officer, who in turn reports to the MD & CEO.

5. CREDIT RISK

5 (a) Credit risk is defined as the possibility of losses associated with diminution in the credit quality of borrowers or counterparties. In a bank's portfolio, losses stem from outright default due to inability or unwillingness of a customer or counterparty to meet commitments in relation to lending, trading, settlement and other financial transactions.

The Bank adopts the definition of 'past due' and 'impaired credits' (for accounting purposes) as defined by Reserve Bank of India under Income Recognition, Asset Classification and Provisioning (IRAC) norms (vide RBI Master Circular dated 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, 2022:

(₹ million)

Category	Exposure
Fund based[1]	3,26,332.0
Non fund based[2]	15,354.3
Total	**3,41,686.3**

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, 2022:

(₹ million)

Category	Domestic	Overseas
Fund based	3,26,332.0	-
Non fund based	15,354.3	-
Total	**3,41,686.3**	**-**

5 (d) Industry type distribution of exposures as on March 31, 2022:

(₹ million)

Industry	Fund Based	Non Fund Based	Total	%
Retail Loans	**1,05,534.9**	**603.6**	**1,06,138.5**	**31.06%**
Housing Loans	66,222.1	2.5	66,224.6	19.38%
Auto Loans	76.3	-	76.3	0.02%
Personal Loan	459.7	-	459.7	0.13%
Other Loans (Gold Loans, Loans against deposits & Shares etc.)	38,599.5	601.1	39,200.7	11.47%
Staff Loans	177.2	-	177.2	0.05%

Industry	Fund Based	Non Fund Based	Total	%
Trade	**67,168.3**	**826.1**	**67,994.4**	**19.90%**
Trade - Retail	46,187.5	152.6	46,340.2	13.56%
Trade - Wholesale	20,980.8	673.5	21,654.3	6.34%
Agriculture	**36,877.4**	**136.1**	**37,013.5**	**10.83%**
NBFC	**23,537.4**	**369.9**	**23,907.3**	**7.00%**
NBFC - HFC	5,553.1	365.0	5,918.1	1.73%
NBFC - Investment and Credit Company (AFC)	3,378.9	-	3,378.9	0.99%
NBFC - Others	14,605.4	4.9	14,610.3	4.28%
Miscellaneous Services	**19,432.8**	**156.9**	**19,589.8**	**5.73%**
of which Retail Business Loans	19,158.9	-	19,158.9	5.61%
Construction incl. Residential Housing	**16,747.1**	**2,487.5**	**19,234.5**	**5.63%**
Residential Constructions	10,968.7	55.5	11,024.2	3.23%
Construction Contractors	3,053.3	1,203.2	4,256.5	1.25%
Construction Others	2,725.0	1,228.7	3,953.8	1.16%
Logistics	**16,397.2**	**335.2**	**16,732.5**	**4.90%**
Logistics - Transport Operators(includes CV loans)	14,619.4	86.1	14,705.5	4.30%
Logistics - Others	1,777.8	249.2	2,027.0	0.59%
Infrastructure (Including Energy, Telecommunications, Water & Sanitation and Social & Commercial Infra)	5,934.1	1,408.1	7,342.2	2.15%
Textiles	6,715.7	66.1	6,781.8	1.98%
All Engineering	4,194.7	1,963.8	6,158.6	1.80%
Basic Metal & Metal Products	3,245.4	1,212.6	4,457.9	1.30%
Food Processing	3,640.4	320.7	3,961.1	1.16%
Gems & Jewellery	2,603.7	300.0	2,903.7	0.85%
Chemical & Chemical Products	2,414.0	287.8	2,701.8	0.79%
Capital Market (including Brokers)	171.5	1,630.0	1,801.5	0.53%
Travels & Tourism	1,768.8	20.2	1,789.0	0.52%
Real Estate Activities incl. Lease Rent Discounting	1,649.6	65.8	1,715.4	0.50%
Paper & Paper Products	929.8	153.8	1,083.6	0.32%
Wood & Wood Products	1,043.0	1.0	1,044.0	0.31%
Finance (Others)	687.2	190.1	877.3	0.26%
IT & related	752.1	93.2	845.3	0.25%
Cement & Cement Products	737.4	6.6	744.0	0.22%
Other Manufacturing	706.6	25.0	731.6	0.21%
Rubber, Plastic & their Products	639.2	59.7	698.9	0.20%
Renting of equipments	637.1	15.0	652.1	0.19%
Vehicles, Vehicle Parts & Transport Equipments	621.5	1.0	622.5	0.18%
Mining & Quarrying	468.1	-	468.1	0.14%
Petroleum, Coal Products & Nuclear fuels	272.8	150.0	422.8	0.12%
Beverages (Excl. Tea & Coffee) and Tobacco	269.1	-	269.1	0.08%
Leather & Leather Products	190.6	4.6	195.2	0.06%
Glass & Glassware	62.5	-	62.5	0.02%
Residual	282.1	2,463.8	2,745.8	0.80%
Grand Total	**3,26,332.0**	**15,354.3**	**3,41,686.3**	**100.00%**

5 (e) Residual contractual maturity breakdown of assets as on March 31, 2022

(₹ million)

Assets	Next Day	2-7 Days	8-14 Days	15-30 days	31 days to 2 months	2 months -3 months	3 Months -6 Months	6 Months -1 Year	1-3 Years	3-5 Years	Above 5 Years	TOTAL
Cash	1,918.0	-	-	-	-	-	-	-	-	-	-	**1,918.0**
Balance with RBI	1,620.1	337.1	466.9	485.6	548.8	1,491.5	2,342.9	2,997.7	3,356.7	77.9	131.8	**13,857.0**
Balances with Other Banks	493.0	19,455.6	1,500.0	3,652.7	-	-	-	1.9	29.4	-	-	**25,132.6**
Investments	20,868.7	743.0	-	620.3	5,582.4	-	3,210.0	22,533.5	33,977.7	2,120.0	1,326.7	**90,982.3**
Net Advances	800.2	5,469.3	3,976.1	5,129.6	9,588.4	8,969.6	11,374.9	22,180.0	1,05,158.0	28,954.1	89,357.5	**2,90,957.7**
Fixed Assets	-	-	-	-	-	-	-	-	-	-	6,611.8	**6,611.8**
Other Assets (net)	132.5	63.8	157.4	436.2	904.8	382.1	681.9	1,168.2	6,483.6	1,635.7	6,895.8	**18,942.0**
Total	**25,832.5**	**26,068.8**	**6,100.4**	**10,324.4**	**16,624.4**	**10,843.2**	**17,609.7**	**48,881.3**	**1,49,005.4**	**32,787.7**	**1,04,323.6**	**4,48,401.4**

5 (f) Advances and Provisions:

(₹ million)

Particulars	As on March 31, 2022
(a) Amount of NPAs (Gross)	**12,899.3**
i. Substandard	6,712.3
ii. Doubtful 1	3,574.2
iii. Doubtful 2	2,270.9
iv. Doubtful 3	307.8
v. Loss	34.2
(b) Net NPAs	5,732.3
(c) NPA Ratios	
i. Gross NPAs to gross advances (%)	4.32 %
ii. Net NPAs to Net Advances (%)	1.97 %
(d) Movement of NPAs (Gross)	
i. Opening balance (as on March 31, 2021)	10,834.4
ii. Additions during the year	17,719.1
iii. Reductions during the year	15,654.2
iv. Closing balance	12,899.3
(e) Movement of provisions for NPAs (excluding provision on Standard Assets)	
i. Opening balance (as on March 31, 2021)	4,892.9
ii. Provision made during the year	6,190.6
iii. Write-off / write-back of excess provisions	3,916.5
iv. Closing balance	7,167.0

Particulars	As on March 31, 2022
(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, 2021)	186.9
ii. Add: Provision made during the year	121.4
iii. Less: Write-off/ write-back of excess provision during the year (including depreciation utilised on the sale of securities)	150.3
iv. Closing balance	158.0

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. Acuite Ratings & Research Ltd
b. Brickwork Ratings India Pvt. Limited (Brickwork)
c. CARE Ratings Limited
d. CRISIL Limited
e. ICRA Limited
f. India Ratings and Research Private Limited (India Ratings) and
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, 2022 are as follows:

(₹ million)

Particulars	Fund based	Non fund based
Below 100% risk weight	2,17,839.3	8,496.2
100% risk weight	80,130.7	1,004.9
More than 100% risk weight	28,362.0	5,853.
Total	**3,26,332.0**	**15,354.3**

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/ Acuite A3 for short-term debt instruments.

vii. Debt Securities not rated by a chosen Credit Rating Agency in respect of which banks should be sufficiently confident about the market liquidity where these are:

a) issued by a bank; and

b) listed on a recognized exchange; and

c) classified as senior debt; and

d) all rated issues of the same seniority by the issuing bank are rated at least BBB(-) or CARE A3/ CRISIL A3/ India Ratings and Research Private Limited (India Ratings) A3/ICRA A3/ Brickwork A3/Acuite A3 by a chosen Credit Rating Agency; and

e) the bank holding the securities as collateral has no information to suggest that the issue justifies a rating below BBB(-) or CARE A3/ CRISIL A3/ India Ratings and Research Private Limited (India Ratings) A3/ICRA A3/Brickwork A3/Acuite A3 (as applicable) and;

f) Banks should be sufficiently confident about the market liquidity of the security.

viii. Units of Mutual Funds regulated by the securities regulator of the jurisdiction of the bank's operation mutual funds where:

a) a price for the units is publicly quoted daily i.e., where the daily NAV is available in public domain; and

b) Mutual fund is limited to investing in the instruments listed in this paragraph.

ix. Re-securitisations, irrespective of any credit ratings, are not eligible financial collateral.

(₹ million)

Particular	As on March 31, 2022
Total exposure covered by eligible financial collateral after application of applicable haircuts	53,754.2
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 2021-22, the Bank has made investments in securitized assets by way of Pass Through Certificates, aggregating to ₹ 11,595.1 million, the outstanding of this as on March 31, 2022 was ₹ 8,291.2 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, 2022.

(₹ million)

Financial Year	Original Investment	Outstanding at March 31, 2022
2017-18	997.5	116.3
2018-19	549.9	105.1
2019-20	2,599.5	592.2
2020-21	11,020.5	3,300.4
2021-22	11,595.1	8,291.2
Total	**26,762.5**	**12,405.3**

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, 2022
• Interest Rate Risk	221.2
• Foreign Exchange Risk (Including gold)	54.0
• Equity Risk	121.8
Capital requirement for Market Risk	**397.0**

10. OPERATIONAL RISK

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk includes legal risk but excludes strategic and reputation risks.

The Bank has put in place a Board approved Operational Risk Management Policy which outlines overall framework for management of Operational Risk. The Bank has identified Key Operational Risk Indicators (KORIs) across various units, which are measured, monitored regularly and reported to Operational Risk Management Committee (ORCO) on monthly basis. The Bank has a robust system of reporting Operational Risk events across various units through identified Operational Risk Officers, who are given adequate training to identify and report such events as and when they occur. The Bank has a very effective system of recording and reporting operational losses booked. The Bank also collects qualitative data on self-assessment of operational risk faced by various units through Risk Control Self-Assessment (RCSA) exercise.

The Bank has implemented Periodic Risk Identification and Controls Evaluation (PRICE) system with a view to develop policy framework for identification and documented plan to mitigate various risks in the Bank. The PRICE system is expected to provide a robust overview of various risks being identified proactively that remain 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, 2022 is ₹ 2,380.5 million.

11. INTEREST RATE RISK IN BANKING BOOK

Interest Rate Risk in the Banking Book (IRRBB):

Interest rate risk is the potential change in Net Interest Income (NII) or Economic Value of Equity (Balance Sheet impact), caused by unexpected changes in market interest rates. Since NII or Net Interest Margin (NIM) of Bank is dependent on the movements of interest rates, any mismatches or gaps in the cash-flows on re-pricing dates exposes Bank's NII or NIM to interest rate risk. Interest Rate Risk in Banking Book results from an unavoidable position or gap arising from Bank's normal day to day business by holding assets and liabilities in different maturities and different re-pricing dates.

Risk management framework and monitoring:

The Board of the Bank, through Risk Management Committee (RMC), has overall responsibility for management of risks and it sets limits and policies for management of liquidity risk, market risk including foreign exchange, interest rate and equity risk. The Asset Liability Management Committee (ALCO), a strategic decision making body constituted by Board, headed by Managing Director and comprising of senior executives of the Bank is responsible for deciding the mix and maturity profile of the assets and liabilities, recommendation of risk policies, setting up of prudential limits to manage the risks and ensuring compliance with the limits set by the Board. The ALM policy of the Bank includes the prudential limits on interest rate risk, liquidity risk, foreign exchange risk and equity risk.

Market Risk Management Department is responsible for monitoring the limits laid down in the ALM Policy through various reports. These reports are prepared at regular intervals and exceptions/deviations are reported to the ALCO/RMC, as may be required by the ALM policy.

Risk measurement and reporting framework:

As a part of its regular activities, ALCO manages the impact of the interest rate risk in banking book, through various limits, reports and tools such as interest rate sensitive gaps, Earnings at risk analysis, duration gap analysis, stress testing, etc. detailed as follows:

Interest rate sensitivity gap:

The interest rate gap risk, at any given date, is the risk arising from the mismatches in the assets and liabilities over the different time intervals. These mismatches or gaps are arrived at after matching rate sensitive assets and rate sensitive liabilities in the particular time bucket taking into account all assets and liabilities (including off Balance Sheet exposure). The rate sensitive assets and liabilities are grouped in the buckets as per the residual maturity or re-pricing date, whichever is earlier and is reported on monthly basis. The gap indicates whether net interest income is positively or negatively impacted by a change in interest rates and the magnitude of the gap approximates the change in net interest income for any given interest rate shift. Limits are fixed on individual gaps.

Earnings at Risk Analysis (EaR):

The gaps in the report indicates whether the Bank is in a position to benefit from rising interest rates by having a positive gap (RSA > RSL) or whether it is in a position to benefit from declining interest rates by a negative gap (RSL >RSA). The Bank monitors the Earnings at Risk on NII for 1% change in interest rates on the open periodic gaps.

Stress testing:

The Bank measures the impact on NIM/ EaR after taking into account various possible movement in interest rates across tenor and impact on the earnings is calculated for each of these scenarios. These reports are prepared on a quarterly basis for measurement of interest rate risk.

Duration gap analysis:

Movement in the interest rates also have a long-term impact on the market value of equity of the Bank, as the economic value of the Bank's assets, liabilities and off-Balance Sheet positions get affected. Duration is a measure of interest rate sensitivity of assets, liabilities and also equity. It may be defined as the percentage change in the market value of an asset or liability (or equity) for a given change in interest rates. Thus Duration Gap Analysis measures by how much the market value of equity of a firm would change for the possible change in the interest rates.

The following tables show the impact on NII and economic value of equity for a given change in the interest rates. The impact is calculated assuming parallel shifts in the yield curve across all time buckets.

i) Impact on NII:

(₹ million)

Currency	Changes in interest rates (in bps)			
	(100)	(50)	50	100
INR	(637.8)	(318.9)	318.9	637.8
USD	(60.3)	(30.2)	30.2	60.3
JPY	0.0	0.0	0.0	0.0
GBP	0.4	0.2	(0.2)	(0.4)
EUR	0.1	0.1	(0.1)	(0.1)
Total	**(697.6)**	**(348.8)**	**348.8**	**697.6**

ii) Impact on economic value of equity:

(₹ million)

	Changes in interest rates (in bps)			
Currency	(100)	(50)	50	100
INR	3,143.8	1,571.9	(1,571.9)	(3,143.8)

* 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, 2022

(₹ million)

	Notional Amount	Gross positive fair value of contracts	Potential future exposure	Total credit exposure
Forward contracts	17,782.7	68.1	355.7	423.7

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)	16,785.82	A=a1+a2
2	Retained earnings	10,761.73	B=b1-b2
3	Accumulated other comprehensive income (and other reserves)	10,987.94	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	38,535.49	
	Common Equity Tier 1 capital: regulatory adjustments		
7	Prudential valuation adjustments	31.00	
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	31.00	
29	Common Equity Tier 1 capital (CET1)	38,504.49	
	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)**	38,504.49	
	Tier 2 capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	4,500.00	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	2,991.56	E=e1+e2+e3-e4
51	Tier 2 capital before regulatory adjustments	7,491.56	
	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)	7,491.56	
59	Total capital (TC = T1 + T2) (45 + 58)	45,996.05	
60	Total risk weighted assets (60a + 60b + 60c)	2,43,128.23	
60a	*of which: total credit risk weighted assets*	2,08,408.81	
60b	*of which: total market risk weighted assets*	4,963.01	
60c	*of which: total operational risk weighted assets*	29,756.41	
	Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	15.84%	
62	Tier 1 (as a percentage of risk weighted assets)	15.84%	
63	Total capital (as a percentage of risk weighted assets)	18.92%	
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)	8.00%	

65	*of which: capital conservation buffer requirement*	2.50%	
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)	7.84%	
	National minima (if different from Basel III)		
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%	
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%	
71	National total capital minimum ratio (if different from Basel III minimum)	9.00%	
	Amounts below the thresholds for deduction (before risk weighting)		
72	Non-significant investments in the capital of other financial entities	-	
73	Significant investments in the common stock of financial entities	-	
74	Mortgage servicing rights (net of related tax liability)	-	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	-	
	Applicable caps on the inclusion of provisions in Tier 2		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	4,476.03	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	2,991.56	
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

Row No. of the template	Particular	(₹ in million)
10	Deferred tax assets associated with accumulated losses	-
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	-
	Total as indicated in row 10	-
19	If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank	-
	of which: Increase in Common Equity Tier 1 capital	-
	of which: Increase in Additional Tier 1 capital	-
	of which: Increase in Tier 2 capital	-
26b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then:	-
	(i) Increase in Common Equity Tier 1 capital	-
	(ii) Increase in risk weighted assets	-
50	Eligible Provisions included in Tier 2 capital	2,991.56
	Eligible Revaluation Reserves included in Tier 2 capital	-
	Total of row 50	2,991.56

Table DF-12: Composition of Capital- Reconciliation Requirements

Step 1

(₹ million)

		Balance sheet as in financial statements As on Mar. 31, 2022	Balance sheet under regulatory scope of consolidation As on Mar. 31, 2022
A	**Capital & Liabilities**		
i	Paid-up Capital	3,109.76	
	Reserves & Surplus	37,365.34	
	Minority Interest	-	
	Employee Stock Options Outstanding	13.15	
	Total Capital	**40,488.25**	
ii	**Deposits**	**3,46,916.86**	
	of which: Deposits from banks	34,114.33	
	of which: Customer deposits	3,12,802.53	
	of which: Other deposits (pl. specify)	-	
iii	**Borrowings**	**40,818.40**	
	of which: From RBI	1,000.00	
	of which: From banks	550.00	
	of which: From other institutions & agencies	34,768.40	
	of which: Others (pl. specify) Borrowings from outside India	-	
	of which: Capital instruments	4,500.00	
iv	**Other liabilities & provisions**	**20,177.91**	
	Total	**4,48,401.42**	
B	**Assets**		
i	**Cash and balances with Reserve Bank of India**	**15,775.01**	
	Balance with banks and money at call and short notice	**25,132.60**	
ii	**Investments:**	**90,982.34**	
	of which: Government securities	76,240.03	
	of which: Other approved securities	-	
	of which: Shares	225.99	
	of which: Debentures & Bonds	1,246.77	
	of which: Subsidiaries / Joint Ventures / Associates	-	
	of which: Others (Commercial Papers, Mutual Funds, Certificate of Deposits, PTCs, SRs etc.)	13,269.55	
iii	**Loans and advances**	**2,90,957.81**	
	of which: Loans and advances to banks	174.87	
	of which: Loans and advances to customers	2,90,782.94	
iv	**Fixed assets**	**6,611.84**	
v	**Other assets**	**18,941.82**	
	of which: Goodwill and intangible assets	-	
	of which: Deferred tax assets (Net)	2,299.91	
vi	**Goodwill on consolidation**	**-**	
vii	**Debit balance in Profit & Loss account**	**-**	
	Total Assets	**4,48,401.42**	

Step 2

(₹ million)

		Balance sheet as in financial statements As on Mar. 31, 2022	Balance sheet under regulatory scope of consolidation As on Mar. 31, 2022	Ref No.
A	**Capital & Liabilities**			
i	**Paid-up Capital**	**3,109.76**		a1
	Reserves & Surplus	**37,365.34**		
	of which:			
	Securities Premium	13,676.06		a2
	Balance in Profit & Loss account	11,072.71		b1
	of which:			
	Unallocated Surplus	8,197.66		
	Current period profits not reckoned for Capital Adequacy	310.98		b2
	Statutory Reserve	7,041.38		c1
	Capital Reserve	1,403.42		c2
	Special Reserve	1,515.99		c3
	Revaluation Reserve	2,253.34		c4
	of which			
	Not reckoned for Capital Adequacy purposes	1,239.34		c5
	Investment Reserve	15.99		e1
	Investment Fluctuation Reserve	386.45		e2
	Employee Stock Options Outstanding	13.15		c6
	Minority Interest	-		
	Total Capital	**40,488.25**		
ii	**Deposits**	**3,46,916.86**		
	of which: Deposits from banks	34,114.33		
	of which: Customer deposits	3,12,802.53		
	of which: Other deposits (pl. specify)	-		
iii	**Borrowings**	**40,818.40**		
	of which: From RBI	1,000.00		
	of which: From banks	550.00		
	of which: From other institutions & agencies	34,768.40		
	of which: Others (pl. specify) Borrowings from outside India	-		
	of which: Capital instruments	4,500.00		d
iv	**Other liabilities & provisions**	**20,177.91**		
	of which: Provision for Standard Assets	4,073.59		e3
	Not reckoned for Capital Adequacy purposes	1,484.47		e4
	of which: DTLs related to goodwill	-		
	of which: DTLs related to intangible assets	-		
	Total	**4,48,401.42**		
B	**Assets**			
i	Cash and balances with Reserve Bank of India	**15,775.01**		
	Balance with banks and money at call and short notice	**25,132.60**		
ii	**Investments**	**90,982.34**		
	of which: Government securities	76,240.03		
	of which: Other approved securities	-		
	of which: Shares	225.99		

		Balance sheet as in financial statements As on Mar. 31, 2022	Balance sheet under regulatory scope of consolidation As on Mar. 31, 2022	Ref No.
	of which: Debentures & Bonds	1,246.77		
	of which: Subsidiaries / Joint Ventures / Associates	-		
	of which: Others (Commercial Papers, Mutual Funds, Certificate of Deposits, PTC, SRs etc.)	13,269.55		
iii	**Loans and advances**	**2,90,957.81**		
	of which: Loans and advances to banks	174.87		
	of which: Loans and advances to customers	2,90,782.94		
iv	**Fixed assets**	**6,611.84**		
v	**Other assets**	**18,941.82**		
	of which: Goodwill and intangible assets Out of which:	-		
	Goodwill	-		
	Other intangibles (excluding MSRs)	-		
	Deferred tax assets (Net)	2,299.91		
vi	**Goodwill on consolidation**	**-**		
vii	**Debit balance in Profit & Loss account**	**-**		
	Total Assets	**4,48,401.42**		

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	16,785.82	A=a1+a2
2	Retained earnings	10,761.73	B=b1-b2
3	Accumulated other comprehensive income (and other reserves)	10,987.94	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**	**38,535.49**	
7	Prudential valuation adjustments	31.00	
8	Goodwill (net of related tax liability)	-	

Main Features of Regulatory Capital Instruments

Sr. No.	Particulars	Equity Shares	Sub-Ordinated Debt	Sub-Ordinated Debt
1	Issuer	DCB BANK LIMITED	DCB BANK LIMITED	DCB BANK LIMITED
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE503A01015	INE503A08036	INE503A08044
3	Governing law(s) of the instrument	Indian Law	Indian Law	Indian Law
	Regulatory treatment			
4	Transitional Basel III rules	Common Equity Tier 1	Tier 2	Tier 2
5	Post-transitional Basel III rules	Common Equity Tier 1	Tier 2	Tier 2
6	Eligible at solo/group/ group & solo	Solo	Solo	Solo
7	Instrument type	Common Shares	Tier 2 Debt Instruments	Tier 2 Debt Instruments
8	Amount recognised in regulatory capital (₹ in million, as of most recent reporting date)	₹ 3,110 Million	₹ 3,000 Million	₹ 1,500 Million
9	Par value of instrument	₹ 10 per share	₹ 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
11	Original date of issuance	Various*	17.11.2017	12.01.2018
12	Perpetual or dated	Perpetual	Dated	Dated
13	Original maturity date	No Maturity	17.11.2027	12.01.2028
14	Issuer call subject to prior supervisory approval	No	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 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 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
18	Coupon rate and any related index	NA	9.85% per annum	9.85% per annum
19	Existence of a dividend stopper	NA	No	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Partially discretionary	Partially discretionary
21	Existence of step up or other incentive to redeem	No	No	No
22	Noncumulative or cumulative	Non-cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	NA	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	NA	NA	NA
25	If convertible, fully or partially	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA	NA
30	Write-down feature	No	Yes	Yes

Sr. No.	Particulars	Equity Shares	Sub-Ordinated Debt	Sub-Ordinated Debt
31	If write-down, write-down trigger(s)	NA	PONV Trigger	PONV Trigger
32	If write-down, full or partial	NA	Fully or Partially	Fully or Partially
33	If write-down, permanent or temporary	NA	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism	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"
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	NA	NA	NA

* Date of allotment of equity shares are available on the Bank's website at following link:
http://www.dcbbank.com/pdfs/DCB_Capital_Structure_of_the_Bank_as_on_31st_March_2022.pdf

Table DF 17- Summary comparison of accounting assets vs. leverage ratio exposure measure

Leverage Ratio:

The leverage ratio is calibrated to act as a credible supplementary measure to the risk based capital requirements.

The Basel III leverage ratio is defined as the capital measure (the numerator) divided by the exposure measure (the denominator), with this ratio expressed as a percentage.

$$\text{Leverage Ratio} = \frac{\text{Capital Measure (Tier 1 Capital)}}{\text{Exposure Measure}}$$

Summary comparison of accounting assets vs. leverage ratio exposure measure

	Item	(₹ Million)
1	Total consolidated assets as per published financial statements	4,48,401.42
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	423.72
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	-
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	22,058.98
7	Other adjustments	
8	**Leverage ratio exposure**	**4,70,884.12**

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)	4,32,237.90
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)**	**4,32,237.90**
	Derivative exposures	
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	68.07
5	Add-on amounts for PFE associated with all derivatives transactions	355.65
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)**	**423.72**
	Securities financing transaction exposures	
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	16,163.52
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)**	**16,163.52**
	Other off-balance sheet exposures	
17	Off-balance sheet exposure at gross notional amount	53,579.93
18	(Adjustments for conversion to credit equivalent amounts)	31,520.95
19	**Off-balance sheet items (sum of lines 17 and 18)**	22,058.98
	Capital and total exposures	
20	**Tier 1 capital**	38,504.49
21	**Total exposures (sum of lines 3, 11, 16 and 19)**	4,70,884.12
	Leverage ratio	
22	**Basel III leverage ratio (per cent)**	**8.18%**

Notes

SFT : Securities Financing Transactions
PFE : Potential Future Exposure
CCP : Central Counterparty
CCR : Counterparty Credit Risk

Notes

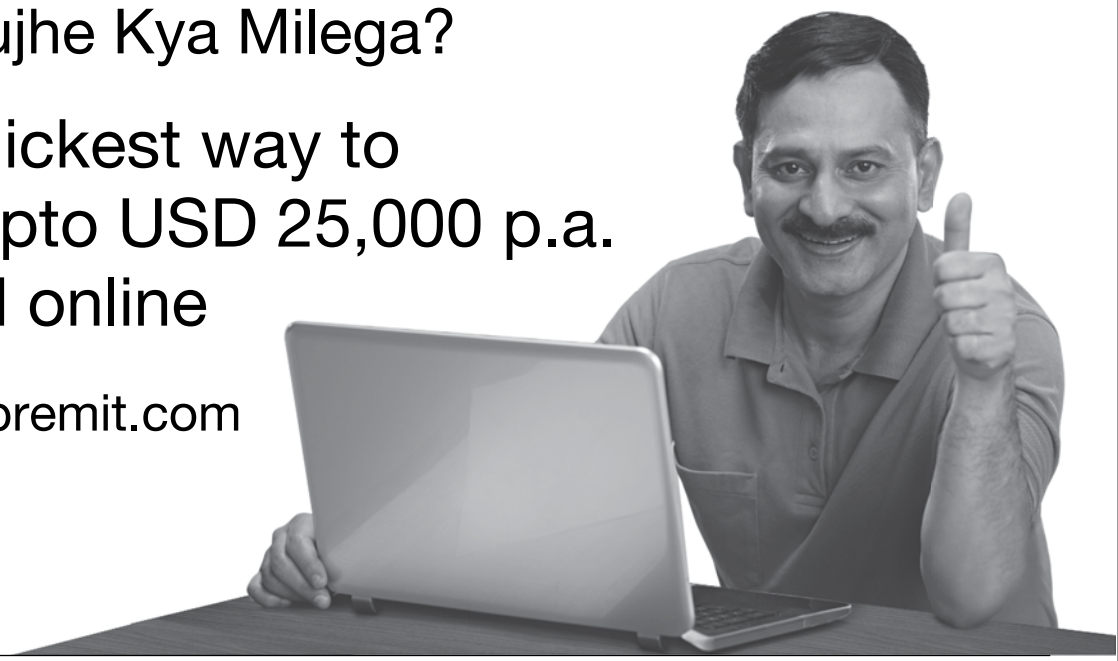
DCB BANK

DCB Remit

Isse Mujhe Kya Milega?

The quickest way to send upto USD 25,000 p.a. 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.

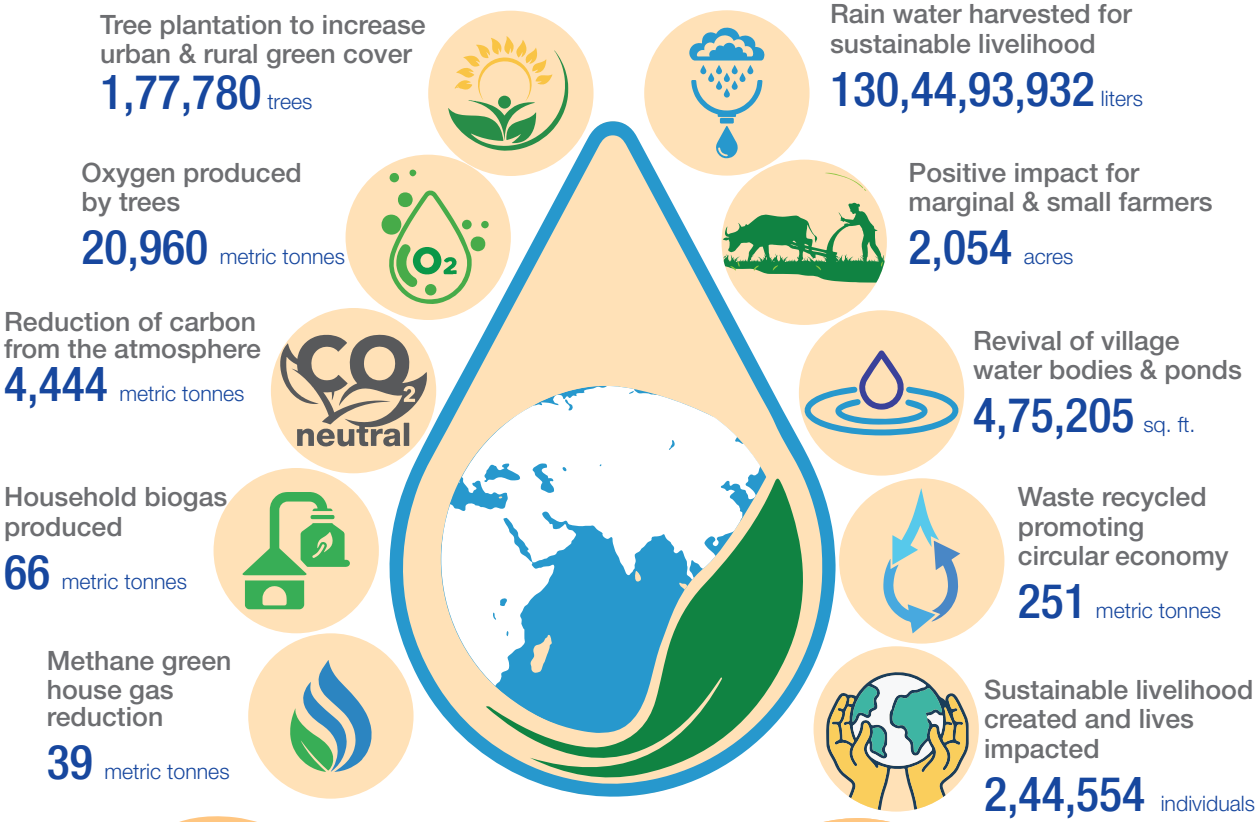
Add your beneficiary and follow the instructions to transfer funds in Indian Rupees. The funds will then be converted to the foreign currency by us, and credited to the beneficiary's overseas account.

DCB Customer Care : 022-6899 7777, 040-6815 7777
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.

Sustainable impact by DCB Bank Corporate Social Responsibility, FY 2021-22



DCB Bank Limited
Printing and Stationery Department, 2nd Floor, A-1/E, Rashmi Park,
Sheetal Nagar, Telephone Exchange, Mira Road (E), Thane - 401107



BUSINESS RESPONSIBILITY REPORT

2021-22

DCB BANK

DCB Bank Limited

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L99999MH1995PLC089008
2	Name of the Company	DCB Bank Limited
3	Registered address	6th floor, Tower A, Peninsula Business Park, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013
4	Website	www.dcbbank.com
5	E-mail id	investorgrievance@dcbbank.com
6	Financial Year reported	2021-22
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Banking (NIC Code - 6411)
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Banking services in the following segments: 1) Retail Banking, 2) SME & MSME Banking, 3) Mid- Corporates
9	Total number of locations where business activity is undertaken by the Company	400 Branches
A	Number of International Locations (Provide details of major 5)	Nil
B	Number of National Locations	i) 400 branches ii) 22 Offices without direct customer interface
10	Markets served by the Company – Local / State / National / International	National

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital	₹ 310.98 Crores
2	Total Turnover	₹ 3964.80 Crores
3	Total profit after taxes	₹ 287.50 Crores
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Bank's total spending on CSR for the Financial Year 2021-22 is INR 9.65 Crores, which is more than 2% of the average PAT for the last 3 years

5. List of activities in which expenditure in 4 above has been incurred

The Bank is committed to sustainable development of all sections of society and preservation of Environment. During the year under review, the Bank has carried out activities primarily related to:

- Protection of sources of water, water bodies, creation of water harvesting structures in rural areas for sustainable livelihoods
- Tree plantations, Urban forest plantations
- Sustainability focused activities and projects undertaken by DCB Social Volunteers to battle climate change
- Installation of waterless urinals to protect ground water & reduce use of water
- PPE kits, gloves, sanitisers, masks and other personal safety and hygiene items for patients and healthcare workers for Covid-19 disaster relief

Details of CSR policy and activities under section 135 of The Companies Act, 2013 has been attached as Annexure in the Directors' Report.

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company / Companies?	No

2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such Subsidiary Company(s):	Not Applicable
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30- 60%, More than 60%]:-	At present, the BR initiatives have been undertaken at the company level. Several stakeholders engage with the Company in the course of its business such as suppliers, distributors, customers, government agencies, similar economic groups and other entities. The Company promotes BR initiatives across its value chain.

SECTION D: BR INFORMATION

1. Details of Director/s responsible for BR

a) Details of the Director/Director responsible for implementation of the BR policy/policies

1.	DIN Number	00061194
2.	Name	Mr. Murali M. Natrajan
3.	Designation	MD & CEO
4.	Telephone number	(022) 6684 8451
5.	e-mail id	muralim.natrajan@dcbbank.com

b) Details of BR Head

1.	DIN Number	00061194
2.	Name	Mr. Murali M. Natrajan
3.	Designation	MD & CEO
4.	Telephone number	(022) 6684 8451
5.	e-mail id	muralim.natrajan@dcbbank.com

PRINCIPLES OF RESPONSIBLE BUSINESS CONDUCT

Principle	Policies
Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.	Code of Conduct for employees of DCB Bank Ltd Whistle Blower Policy
Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.	Code of Conduct for employees of DCB Bank Ltd
Principle 3: Businesses should promote the wellbeing of all employees.	Code of Conduct for employees of DCB Bank Ltd Prevention of Sexual Harassment at Workplace Policy Policy on Equal Opportunity Various other HR Policies in the Bank
Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	CSR Policy
Principle 5: Businesses should respect and promote human rights.	Code of Conduct for employees of DCB Bank Ltd Prevention of Sexual Harassment at Workplace Policy Policy on Equal Opportunity
Principle 6: Business should respect, protect, and make efforts to restore the environment.	CSR Policy
Principle 7: Businesses, when engaged in influencing public and	Code of Conduct for employees of DCB Bank Ltd

regulatory policy, should do so in a responsible manner.	
Principle 8: Businesses should support inclusive growth and equitable development.	CSR Policy
Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.	Code of Conduct for employees of DCB Bank Ltd Policy of customers' grievance redressal mechanism Various customer service related polices and guidelines for enhancing customers service experience

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

(a) Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders? *	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words) **	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/ CEO/ appropriate Board/Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board / Director /	Y	Y	Y	Y	Y	Y	Y	Y	Y

	Official to oversee the implementation of the policy?									

6. Indicate the link for the policy to be viewed online?

Policies of the Bank are accessible on

https://www.dcbbank.com/pdfs/DCB-Bank-CSR-Policy-version-03-16-July-2019.pdf

https://www.dcbbank.com/cms/showpage/page/whistle-blower-policy

7. Has the policy been formally communicated to all relevant internal and external stakeholders?

Yes, the policies have been posted on the website and the intranet of the bank and communicated to all internal stakeholders.

No.	**Questions**	**P 1**	**P 2**	**P 3**	**P 4**	**P 5**	**P 6**	**P 7**	**P 8**	**P 9**
1	Does the company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy /policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency	Y	Y	Y	Y	Y	Y	Y	Y	Y

Notes

* All the policies have been formulated in consultation with internal stakeholders. While there may not be formal consultation with all the external stakeholders,

relevant policies / procedures have been evolved over a period of time by taking inputs from concerned stakeholders.

** All policies conform to the applicable laws of the country, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and National Guidance on Responsible Business Conduct, 2019.

2 (b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The Company has not understood the Principles	————Not Applicable ————								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

2. Governance related to Business Responsibility (BR)

1.Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. (Within 3 months, 3-6 months, Annually, More than 1 year)

The Board of Directors of the Bank, either directly or through its Committees, assesses various initiatives forming part of the BR performance of the Bank on a periodic basis. BR performance is reviewed by the Director responsible for BR (i.e. the MD & CEO) annually and as and when required. In addition, CSR Committee of the Board reviews the implementation of CSR

projects/programs/activities at least 4 times in a year. The NRC reviews the issues relating to POSH.

1.Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Bank publishes the information on BR in Business Responsibility Reporting, which forms part of the Annual Report of the Company for the FY 2021-22.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1.Does the policy relating to ethics, bribery and corruption cover only the company? Or does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

While the Code of Conduct for employees of DCB Bank covers only employees, the Whistle blower Policy covers all stakeholders.

Code of Conduct for employees of DCB Bank Ltd: At DCB Bank, our values: respect, ethical, fair, dynamic, stretch, excellence, teamwork, and contribute are deeply embedded in our corporate culture and governance systems. We have a comprehensive governance framework that builds transparency, accountability, compliance focus and risk management into all our business endeavours. The Bank has a “Code of Conduct" (COC/the Code) to conduct its business with honesty and integrity and in compliance with all applicable legal and regulatory requirements. This Code sets out the fundamental standards to be followed by all employees of the Bank. The Code is also to act as a deterrent from unethical doings and to promote ethical values and is the manifestation of the Bank's commitment to successful operation of its business in the best interest of the shareholders, customers employees, other business associates and stakeholders. The COC explicitly guides our people on ethical dealings with external stakeholders.

Whistle Blower Policy: The Policy provides a platform for the employees of the Bank and other stakeholders for reporting suspect violation of DCB Bank Code of Conduct and/or suspect improper activities. The Policy has provisions to ensure protection of the whistleblower.

The leadership, including the Board of Directors, bring to the table, a wealth of experience, national and international exposure and the spirit of entrepreneurship to strategically develop and implement policies with ethics, accountability and transparency that leads to sustainable growth. Our Directors are at the forefront of driving our commitment to business ethics and sustainable business practices. The Board collectively spearheads compliance and drives action on our strategic objectives.

The COC, Human Resources Policy, Discipline and Employees Service Rules and other corporate policies are periodically updated based on the emerging requirements and stakeholders feedback.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the year under review, there has been 3 complaints from the shareholders and all were satisfactorily resolved.

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

While we are not in a material resource intensive business, our operations are significantly interconnected with the social concerns. A large part of our branch network is involved in Agri and Inclusive Banking (AIB). AIB is a business unit with the main task of achieving financial inclusion, meet Bank Priority Sector Lending targets especially agricultural lending target, Small and marginal farmer lending target, non-corporate farmers lending target and expand AIB business into rural and semi urban areas.

(a) The Bank has furthered the financial inclusion agenda which is crucial to achieve inclusive growth & equitable development.

(b) The Bank continues to focus on Priority Sector Lending (PSL) by offering products and services to underbanked population through its rural & semi urban branches. In FY 2021-22, the Bank has opened 25% of its new branches in Left Wing Extremism (LWE) / Unbanked locations.

(c) With the objective of ensuring greater financial inclusion and increasing outreach, the Bank is focusing on loans given to small borrowers through Business Correspondents(BCs) model. Loans are offered to members of Joint liability groups (JLGs)/ Individuals for agriculture and income generation activity. This channel of funding helps to service the areas where the Bank has limited reach.

(d) Micro Mortgage Business- In Micro Housing/Business Loans, the Bank provides both home loan and business loan across rural and semi-urban branches. A signification portion of livelihood income in rural regions is from the unorganized sector, it becomes difficult for prospective loan applicants to provide documented income proof to avail a loan. Acknowledging this fact, DCB Bank decided to offer Microhousing & Micro Business Loan to the rural population through its rural & semi- urban branches. Through these products, the Bank has aimed to provide finance to people who find it otherwise difficult to obtain finance from the organized sector. The end use of such loans is towards multiple purposes viz. home construction, home purchase, home repairs, business, marriage, education, consumption, etc.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

A. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?
B. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Not Applicable - Considering the nature of banking products & service

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Considering the nature of the business, the operations are not resource intensive as all the sourcing is only for the internal consumption. The Bank emphasizes on integrating sustainable practices within its value chain (suppliers and customers) through acceptance of payments through Digital/online mode. Vendors are paid through NEFT/RTGS mode. The Bank endeavors to reduce the environmental impact of its operations by leveraging technology to encourage paperless banking, use of LED light fixtures across all installations leading to substantial energy saving, implementation of electricity generation with the help of solar

panels, use of green tiles - tiles which are manufactured by processes which do not hamper the environment, use of green elements such as wall paint, sanitary fixtures and ceiling elements during fit out of new branches, offices and in renovation projects.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Bank has increased the breadth of vendors across goods and services through vendor base enhancement The Bank has given preference to local vendors when it comes to sourcing materials. Most of consumables like paper, stationery and services like security, canteen, employee transportation, housekeeping, repairs & maintenance etc. are sourced from local vendors/contractors.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The nature of banking products is service oriented and not material resource intensive and hence very little waste is generated by the operations. However, the Bank has put in a mechanism whereby the Bank's primary waste products comprising paper waste, municipal waste and electronic waste are disposed-off, through authorized third-party vendors. Bank recycles dry waste in the form of paper collected in offices/ branches into note pads.

Principle 3

Employees are the most valuable assets of an organization. They determine its success or failure. Culturally the employees come from diverse backgrounds, but they are united with our common purpose and values. We nurture them by ensuring safe working conditions, providing advanced learning options and furthering career growth opportunities. Active engagement with employees across hierarchies enables camaraderie and feedback. Our evolving HR policies focus on holistic developments of our employees and cover all requisites, right from recruitment.

1	Please indicate the Total number of employees.	8,077

2	Please indicate the Total number of employees hired on temporary/contractual/ casual basis.	48
3	Please indicate the Number of permanent women employees.	1,154
4	Please indicate the Number of permanent employees with disabilities	10
5	Do you have an employee association that is recognized by management.	No
6	What percentage of your permanent employees is members of this recognized employee association?	Not Applicable

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

One complaint relating to sexual harassment has been received in the last Financial Year and no complaint is pending as on the end of the Financial Year.

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

Category of Employees	Safety Training - % Employees covered	Skill Upgradation Training - % Employees covered
(a) Permanent Employees	0%	88%
(b) Permanent Women Employees	0%	87%
(c) Casual / Temporary / Contractual Employees	0%	0%
(d) Employees with Disabilities	0%	0%

Principle 4

1. Has the company mapped its internal and external stakeholders? Yes/No.

Yes

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

In line with RBI guidelines, the company has consciously identified the unbanked and underbanked section of the society.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Bank through its Agri and Inclusive Banking business (AIB) engages directly with the disadvantaged, vulnerable and marginalised stakeholders. We actively participate and promote Pradhan Mantri Jan-Dhan Yojana (PMJDY) and Atal Pension Yojana (APY) and Micro Units Development and Refinance Agency (MUDRA) for financial inclusion of the unbanked section of the society. In addition to extending and encouraging banking facilities to the unbanked underbanked, disadvantaged, vulnerable and marginal stakeholders, the Bank as part of its CSR initiatives has implemented projects on conservation of nature, climate change resilience for sustainable livelihood, recycling of waste, producing organic fertilizer, rain water harvesting, etc. These projects have a direct beneficial impact on the above referred sections of the society.

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures /Suppliers/ Contractors/NGOs/Others?

The Bank understands and maintains policies and practices the respect human rights as mentioned in the Constitution of India in the provisions of Fundamental Rights and Directive Principles of State Policy and also the guidelines of the International Bill of Human Rights. While, the company's human rights policy is applicable to the company only, we promote the awareness and realisation of human rights across our value chain and among our stakeholders.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management in 50 words or so.
No complaint was pending in the past and further, no complaint was received pertaining to human rights violation during the Financial Year 2021-22.

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures / Suppliers / Contractors / NGOs / others.

We encourage suppliers and others in our value chain to adopt policies to minimise the environmental impact.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc. ? Y/N. If yes, please give hyperlink for webpage etc.

The Bank understand that the global warming and climate change will have wide economic impact and the operations of the Bank will be exposed to environmental risks. Currently, we are undertaking CSR projects in urban and rural areas to build climate change resilience for communities, over time studies to get insights into the climate change risks and will possibly help formulate the way forward in the coming years.

3. Does the company identify and assess potential environmental risks? Y/N

Yes

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

The Bank has 2 projects in FY 2021-22 that are carbon reduction projects and will be earning 'carbon credits' for the Bank after a few years. The 2 projects, on at Jharkhand and the other Telengana respectively will be audited by external agencies that are permitted by UNFCCC to audit and report on the carbon reduction or carbon sequestration- - for the granting of carbon credits.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

While the operations of the Bank are not resource of energy intensive we integrate environmental concerns at all our branches and offices. The Bank leverages technology to reduces consumption of paper by recycling paper products. The Bank enables its customers to make choices that reduce paper consumption actively promoting e-statement registration, on-line internet and mobile app banking, ATM screen messages to avoid printing of transaction slips.

DCB Green PIN has automated the creation of PIN for DCB Cards via on online process. This has done away with the printing and courier dispatch of physical

PIN on harmful carbonised paper slips to customers, a substantial positive impact in reduction of paper and fuel for printing and courier as well.

The Bank's branch team is responsible for cash filling of in branch ATM. This has resulted in substantial reduction of carbon footprint due reduced consumption of diesel/ CNG fossil fuel by the cash delivery vehicles. The Bank endeavours to reduce the environmental impact of its operations by use of LED lights across all installations leading to substantial energy saving, Implementation of electricity generation with the help of solar panels, use of green tiles, tiles which are manufactured by processes which do not hamper the environment, use of green elements like wall paint, sanitary fixtures and ceiling elements during fit out of new branches, offices and in renovation projects.

DCB Bank has setup solar panels at its premises in Karol Bagh, New Delhi, at Malad, Mira Road, Vashi branches respectively in Mumbai, at Bhuj Gujarat, at T Nagar and Nugaambakkam respectively in Chennai and Rajaji Nagar, Bengaluru. At these places the power generated is fed back to electricity service provider grid and corresponding rebates are received in the bill. The power generated by these panels varies according to the season.

The Bank's CSR initiatives viz. a) Conservation of water / water storage / water usage / protecting water bodies; b) Waste Management; c) Recycling and d) Tree plantation are directed towards addressing pressing environmental and biodiversity issues

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the emissions/waste generated by the Bank for Financial Year 2021-22 are within permissible limits given by CPCB/SPCB(s) of the respective units.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No show cause / legal notices have been received CPCB/SPCB which are pending as on end of Financial Year.

Principle 7

We live in a dynamic world with unpredictable disruptions, technology changes and evolving research. We share our experience and leverage our leadership position to provide incisive insights and detailed inputs to key decision makers in planning better policies for the patients. Along with that, we also learn from the best practices of others in the industry. We collaborate with various trade and industry associations.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, the Bank is a member of following bodies:

(a) Indian Banks' Association

(b) Bombay Chamber of Commerce & Industry

(c) Foreign Exchange Dealers Association of India

(d) CII

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes specify the broad areas (drop box: Governance and Administration, Economic, Reforms Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes, the Bank through various Industry associations, participates in advocating matters for the advancement of the financial sector that have a bearing on public good. The Company has a Code of Conduct Policy to ensure that the highest standards of business conduct are followed while engaging with aforesaid Trade associations/Industry bodies.

Principle 8

1. Does the company have specified programs/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Equitable development is an approach for meeting the needs of underserved and unbanked communities through policies and programmes. Our community development programmes are intended to contribute towards a better quality of life for the people and uplift the marginalised sections of the society. We are guided by our comprehensive Corporate Social Responsibility (CSR) Policy which has also been posted on our website.

2. Are the programs/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?

We undertake our Corporate Social Responsibility projects and activities through various NGO partners such as Concern India Foundation, Green Yatra Foundation, iNaturewatch Foundation, SKG Sangha Foundation, Sankalptaru Foundation, S M Sehgal Foundation, and Worldwide Fund for Nature India, and other organisations such as Pangea EcoAsset, Ekam Eo Solutions, amongst others.

3. Have you done any impact assessment of your initiative?

Projects are monitored by our CSR team through site visits, reports from implementation partners.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

During the Financial Year 2021-22, the Company spent INR 9.65 Crores towards CSR initiatives. Details of the projects are available in Annexure to the Board's Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Prior to the commencement of projects, a baseline understating and proposal is created. From the need identified development initiatives are framed which are then discussed with the community. Projects are assessed under the agreed strategy and are monitored either half yearly/ annual. Wherever necessary, midcourse corrections are carried out.

Principle 9

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.

About 1.9% of customers' complaints were under analysis / resolution as on 31st March, 2022.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks (additional information).

The Schedule of Charges and Terms and Conditions of the products and services offered by the Bank are displayed on the Bank's website www.dcbbank.com. These are also communicated to various stakeholders through product brochures e-mail correspondence, sanction letters, application forms, SMS alerts, display on notice board at branches and other means of communication.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

There are no cases received in the last 5 years or pending with regard to unfair trade practices, irresponsible advertising and/or anticompetitive behavior as on 31st March 2022.

4. Did your company carry out any consumer survey / consumer satisfaction trends?

The Bank conducts customer survey to understand customers experience with different aspects of the Bank. The insight from the survey are discussed at the monthly Service Excellence Committee meeting. Feedback/ inputs from the customers are shared with the stakeholders to check for feasibility and improvement. The Customer Service Committee of the Board (CSCB) reviews such survey findings and advises preventive / corrective action, wherever required.