

Ref. No.CO:CS:RC:2020-21:050

June 17, 2020

The Manager,
Listing Department,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 023.

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

Dear Sirs/Madam,

Sub: 25th Annual General Meeting- Submission of Annual Report 2019-20 and Intimation of the Record Date (Cut-off Date)

BSE Scrip Code No.: 532772

NSE SYMBOL: DCBBANK

This is to inform that the Twenty-Fifth Annual General Meeting (“AGM”) of the Bank will be held on Saturday, July 11, 2020 at 2.30 p.m. (IST) via Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”).

Pursuant to Regulation 34(1) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), we are submitting herewith the Annual Report of the Bank including Notice of the AGM for the financial year ended March 31, 2020 which is being sent through electronic mode to the Members whose e-mail addresses are registered with the Bank/Depositories. The same is also hosted on website of the Bank.

Pursuant to Regulation 42 of the SEBI Listing Regulations, the Bank has fixed Saturday, July 4, 2020 as the Record Date (“Cut-off-Date”) for reckoning the voting entitlement of the Members of the Bank for the AGM.

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
Company Secretary &
Compliance Officer

Encl:

- 1) Notice of the 25th Annual General Meeting scheduled on July 11, 2020
- 2) Copy of Annual Report FY 2019-20



DCB BANK

LEADING IN A TIME OF CRISIS

ANNUAL REPORT 2019-20

DCB BANK LIMITED

DCB Bank reaches out to customers across India from 336 branches located in 19 states & 2 union territories



102
Metro
Branches

82
Urban
Branches

86
Semi Urban
Branches

66
Rural
Branches

LEADING IN A TIME OF CRISIS



One event has stopped the unstoppable. The world ceased to function as humanity was forced home. The uncertainty of its eventual resolution has had an unprecedented impact on the global economy which will reverberate over several years. The serious consequences are being felt today as economies contract severely and unemployment accelerates.

How we respond to the present and future as individuals, companies, institutions and nations will determine the resilience for future emergence. Managing in a time of crisis is inevitable; but it is leadership that will determine what we manage and how we emerge once the crisis is over. Leadership focusses attention on looking ahead and being aware of what is likely to occur and be prepared for the consequences and opportunities that will come along.

At DCB Bank, we would like to think that we are focussing our attention on the future and not merely managing the present. Prediction, Adaptability and Resilience will be the watchwords for the future. We are mindful of the challenges, but are confident that we have the resilience to emerge stronger.

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DCB Bank Vision

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

DCB Bank Values

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

COMPANY INFORMATION

Board of Directors

Mr. Nasser Munjee
Chairman

Mr. Murali M. Natrajan
MD & CEO

Mr. Altaf Jiwani
(Till January 11, 2020)

Mr. Amin Manekia
(Till January 11, 2020)

Mr. Ashok Barat

Mr. Aryn Jassani
(From January 25, 2020)

Mr. Imran Contractor
(Till January 31, 2020)

Mr. Iqbal Khan

Mr. Jamal Pradhan

Mr. C. Narasimhan

Ms. Rupa Devi Singh

Mr. Rafiq Somani
(From March 9, 2020)

Mr. Shabbir Merchant
(From January 25, 2020)

Mr. Shaffiq Dharamshi

Mr. Somasundaram PR
(From January 25, 2020)

Mr. S. Sridhar

Senior Management Team

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

Mr. Bharat Sampat
President and Chief Financial Officer

Mr. Praveen Kutty
President and Head – Retail & Small and
Medium Enterprises (SME) Banking

Mr. Sridhar Seshadri
Executive Vice President and Chief Risk Officer

Company Secretary

Ms. Rubi Chaturvedi

Functional Management Heads

Mr. Abhijit Bose
Chief Credit Officer

Mr. Aditya Prasad
Chief Compliance Officer

Mr. Ajay Mathur

Head – Collections & Commercial Vehicles

Mr. Ajit Singh

Head Treasury and FIG
(Taken over from Mr. Rajesh Verma Head – Treasury,
Correspondent Banking & Trade Finance
w.e.f. March 2020)

Mr. Damodar Agarwal

Head – Strategic Initiatives and Alternate Channels

Mr. Gaurav Mehta

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

Mr. J. K. Vishwanath

Head – Corporate Banking

Mr. K. K. Pandey

Head – Channel Sales & Emerging Markets

Mr. Krishna Ramasankaran

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

Mr. Manoj Joshi

Business Head – Trade Finance

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 – Small and Medium
Enterprises (SME)

Mr. Pankaj Sood

Head – Branch Banking-Retail

Mr. Ravi Kumar Vadlamani

Head-Operations & Key Projects

Mr. Sukesh Bhowal

Head – Mortgages & Gold Loans

Ms. T. P. Anuradha

Chief Internal Auditor & Chief of
Internal Vigilance

Statutory Auditors

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

Registered Office

DCB Bank Limited

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

CHAIRMAN'S STATEMENT

Last year I began my Statement with the following words: "We are living in a dynamic and unpredictable world. There are complex set of variables that are constantly changing making it very difficult to visualize stability or predict the future with any level of accuracy". Little did I realize to what extent those words would be illustrated by a catastrophic event that we experience today.

The onset of the Covid-19 pandemic in first quarter of current calendar year is a black swan event, which was anticipated as a possibility for many years, not taken seriously by many nations, as a result of which public health systems were underinvested in to the extent that the most advanced nations in the world did not possess even the most rudimentary equipment to protect nurses and doctors who would be the front line of defence against such an eventuality.

The unpreparedness of the world for a possible but remote risk (even demonstrated in films) illustrates the challenges the world is facing at the present time. Risk Assessments and Mitigation are a normal process of every company's protocol. This catastrophe will force nations to rethink their approach towards health infrastructure. As a result, our theme this year focusses attention on the imperative of sound leadership in a time of crisis

As our theme suggests, there are three words that are critical in these times: Prediction, Adaptability and Resilience. Leadership is about being mindful of these elements and preparing an institution for the challenges and opportunities for the future. As part of DCB Bank's strategy, we have constantly used these three words for over a decade. Being mindful of the external environment and de-risking the balance sheet in the early days we decided to be a predominantly retail bank. As the years went by, this was only intensified and today we have avoided considerable problems linked to wholesale funding and corporate banking.

Adaptability has been a major element in our ability to innovate products and technology and to use our capacity to be nimble and adaptive. In these times of crisis, this ability that has been part of our training and culture, has come to the fore as our staff, even though largely homebound, have been able to sustain our operations and respond to our customers proactively.

Resilience is the outcome of both being mindful of the emerging external environment as well as flexible in our response to a constant flux and uncertainty around us. It is also the consequence of making sound strategic decisions given a realistic assessment of the external environment; an ability to guide an institution through uncertainties that are constantly changing and emerging.

I am happy to report that this year we continued to make steady progress through the year. The last quarter was largely impacted by the Covid-19 crisis and March 2020 was disrupted by the imposition of lock-down. The Bank experienced modest growth in a year that saw a gradual slowing down of the economy prior to Covid-19. Balance Sheet grew to ₹ 38,505 crore with Deposits at ₹ 30,370 crore and Advances at ₹ 25,345 crore. Operating Profit grew by 16.5% to ₹ 753.06 crore; Profit after Tax, however, increased by 3.9% weighed down by Covid-19 Regulatory Package provision (₹ 63 crore) and other provisions. PAT for the year was ₹ 337.94 crore against ₹ 325.37 crore in the previous year.

As we move into FY 2021, we face extreme uncertainty with the possibility of major economic slowdown due to the unavoidable steps taken by the Government to prevent the spread of Covid-19. Recovery will be slow and perhaps painful across most sectors. The financial sector, which was facing difficulties even before the impact of Covid-19, may witness an intensification of problems. We are confident that the Government of India along with Reserve Bank of India will continue to take deft policy initiatives which will help the economy and the banks. We are a resilient country and over time we will emerge victorious from the current challenge as well.

This brings me back to our theme this year: Leadership. Leadership for public policy as well as institutions to steer the ship in stormy seas. We need to set the course very clearly and all actors will need to do their best to point in the direction of emergence. Good leaders are those who can determine the right destination. Rabindranath Tagore wrote, "Let me not pray to be sheltered from dangers, but to be fearless in facing them". That is what is required today.

Nasser Munjee

Chairman

May 23, 2020

Corporate Social Responsibility Initiatives



DCB Bank CSR employee volunteers under the banner of DCB Social participate in various projects across the country. Clean up and Green up are the underlying themes for DCB Social activities. Volunteers connect with the local community, spread the message of adopting a sustainable lifestyle, and contribute to protection of green cover, water bodies and promote responsible waste segregation.



Thalnji village, Anamalai Tiger Reserve, Tamil Nadu. Renewable energy from the sun helps remote communities use the daylight to power up for the night hours. Pic courtesy WWF India



Anamalai Tiger Reserve, Tamil Nadu. Harnessing the sun. Forest dwellers receive the solar powered home lighting system. Pic courtesy WWF India



Nidhona village, Aurangabad district Maharashtra. DCB Bank Project Jal Sanrakshan, training of villagers on water saving practices for agriculture, wheat and green pea cultivation



DCB Bank CSR employee volunteers under the banner of DCB Social participate in various projects across the country. Clean up and Green up are the underlying themes for DCB Social activities. Volunteers connect with the local community, spread the message of adopting a sustainable lifestyle, and contribute to protection of green cover, water bodies and promote responsible waste segregation.



Chamba Kalan, Beas river, Punjab. A water school class in progress. Children as agents of change in the communities along the river. Sensitising them to sources of pollution to mapping and simple water audits. Planting the seed of sustainability and ownership of the river, water, fish and aquatic life. Pic courtesy WWF India



Harike, Punjab. Field trips with children to the river bring home the message of keeping the river safe which in turn ensures that the source of food and sustenance are safe from harmful chemicals. The balance of interdependence between the river and humanity is an important lesson learnt. Pic courtesy: WWF India



DCB Bank CSR employee volunteers under the banner of DCB Social participate in various projects across the country. Clean up and Green up are the underlying themes for DCB Social activities. Volunteers connect with the local community, spread the message of adopting a sustainable lifestyle, and contribute to protection of green cover, water bodies and promote responsible waste segregation.

NOTICE TO MEMBERS

NOTICE is hereby given that the Twenty Fifth Annual General Meeting (“the AGM”) of the Members of DCB BANK LIMITED (“the Bank”) will be held on Saturday, July 11, 2020 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 for the Financial Year ended March 31, 2020 together with the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Jamal Pradhan (DIN-00308504), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013, the Banking Regulation Act, 1949, based on the recommendation of the Audit Committee and subject to the approvals/consents/permissions/ sanctions as may be necessary from the concerned regulatory/statutory authority(ies), M/s S R Batliboi & Associates LLP, Chartered Accountants (Registration No.101049W/E300004) be and are hereby appointed as Statutory Auditors of the Bank, in place of the retiring Statutory Auditors M/s. Deloitte, Haskins & Sells, Chartered Accountants (Registration No.117365W) to hold office from the conclusion of the Twenty Fifth AGM until the conclusion of the Twenty Ninth AGM of the Bank, at an annual remuneration / fees of ₹ 9,200,000/- (Rupees Ninety Two Lakhs only) plus outlays and taxes at the applicable rates, for the purpose of audit of the Bank’s accounts with the power to the Board including relevant Committee(s) thereof to alter and vary the terms and conditions arising out of increase in scope of work, amendment in Accounting Standards or regulations and such other requirements resulting in change in scope of work.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to give effect to the above Resolution, including but not limited to filing of necessary forms with the Registrar of Companies and to comply with all other requirements in this regard.”

Special Business:

4. Re-appointment of Ms. Rupa Devi Singh (DIN-02191943) as an Independent Director

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Rupa Devi Singh (DIN- 02191943), an Independent Director of the Bank, who has submitted a declaration that she meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Director of the Bank to hold office for second term with effect from 22nd January 2020 to 21st January 2023 and whose office shall not be liable to retire by rotation.

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

5. Appointment of Mr. Amy Jassani (DIN-02945319) as an Independent Director

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, and 152 read with Schedule IV of the Companies Act 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Section 10 A(2A) of the Banking Regulation Act, 1949, Mr. Amy Jassani (DIN-02945319) who was appointed as an Additional Independent Director with effect from 25th January 2020 be and is hereby appointed as an Independent Director of the Bank from 25th January 2020 for a period of five years and that he shall not be liable to retire by rotation.

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

6. Appointment of Mr. Shabbir Merchant (DIN-07438419) as an Independent Director

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, and 152 read with Schedule IV of the Companies Act 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Section 10 A(2A) of the Banking Regulation Act, 1949, Mr. Shabbir Merchant (DIN-07438419) who was appointed as an Additional Independent Director with effect from 25th January 2020 be and is hereby appointed as an Independent Director of the Bank from 25th January 2020 for a period of five years and that he shall not be liable to retire by rotation.

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

7. Appointment of Mr. Somasundaram PR (DIN-00356363) as an Independent Director

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, and 152 read with Schedule IV of the Companies Act 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Section 10 A(2A) of the Banking Regulation Act, 1949, Mr. Somasundaram PR (DIN-00356363) who was appointed as an Additional Independent Director with effect from 25th January 2020 be and is hereby appointed as an Independent Director of the Bank from 25th January 2020 for a period of five years and that he shall not be liable to retire by rotation

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

8. Appointment of Mr. Rafiq Somani (DIN-01351871) as an Independent Director

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, and 152 read with Schedule IV of the Companies Act 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Section 10 A(2A) of the Banking Regulation Act, 1949, Mr. Rafiq Somani (DIN-01351871) who was appointed as an Additional Independent Director with effect from 9th March 2020 be and is hereby appointed as an Independent Director of the Bank from 9th March 2020 for a period of five years and that he shall not be liable to retire by rotation.

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

9. Increase in Borrowing Powers

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

“RESOLVED THAT in supersession of the Resolution passed by the Members of the Bank at the 24th AGM held on June 1, 2019 and pursuant to Section 180(1) (c) and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time and the rules notified thereunder along with the Articles of Association of the Bank, the approval of the Members of the Bank be and is hereby accorded to the Board of Directors of the Bank for borrowing from time to time, any sum or sums of monies, which together with the monies already borrowed by the Bank (apart from deposits accepted in the ordinary course of business, temporary loans repayable on demand or within six months from the date of the loan or temporary loans, if any, obtained from the Bank's bankers) may exceed the aggregate of the paid-up capital of the Bank and its free reserves, provided that the total outstanding amount so borrowed by the Bank shall not at any time exceed ₹ 5,500 crore (Rupees Five Thousand Five Hundred crore) or the aggregate of the paid up capital and free reserves, whichever is higher.

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

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

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

“RESOLVED THAT pursuant to Section 42 and other applicable provisions, if any, of the Companies Act, 2013, as amended, and the rules made there under, Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 including any amendment, the applicable provisions of the Banking Regulation Act, 1949, as amended, and the rules, circulars and guidelines issued by the Reserve Bank of India (“RBI”) from time to time (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force) and all other relevant provisions of applicable law(s), the provisions of the Memorandum and Articles of Association of the Bank and subject to such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the concerned Statutory Authority(ies) including RBI, the approval of the Members of the Bank be and is hereby accorded to the Board of Directors of the Bank (hereinafter referred to as “Board” and which term shall be deemed to include any Committee of the Board or any other persons to whom powers are delegated by the Board as permitted under the Companies Act, 2013) for borrowing/raising of funds in Indian/foreign currency by issue of debt securities including but not limited to refinance from term lending institutions and non-convertible debentures, bonds (including bonds forming part of Tier I Capital/Tier II Capital in accordance with and subject to the terms and conditions specified in the Basel III Capital Regulations prescribed by the RBI, long term infrastructure bonds or such other bonds as may be permitted by the RBI from time to time) in domestic and/or overseas market, on a private placement basis and/or for making offers and/or invitations therefor and/or issue(s)/issuances therefor, on private placement basis, for a period of one year from the date hereof, in one or more tranches and/or series and under one or more shelf disclosure documents and/or one or more letters of offer and on such terms and conditions for each series /tranches including the price, coupon, premium, discount, tenor etc. as deemed fit by the Board, as per the structure and within the limits permitted by the RBI, of an amount not exceeding ₹ 500 crore (Rupees Five Hundred crore), in aggregate for additional Tier I and Tier II capital within the overall borrowing limits of the Bank, as approved by the Members from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Bank or any Committee of the Board or such other persons as may be authorized by the Board or Committee of the Board, be and are hereby authorized to negotiate, modify

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

11. Issue of Equity Shares to Qualified Institutional Buyers through Qualified Institutions Placement

To consider, and if thought fit, to pass, with or without modification, the following Resolution as a 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 Regulations”), 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 Securities by a Person Resident Outside India) Regulations, 2000, 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 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.

AND 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.”

Place: Mumbai
Date: June 11, 2020

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 Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the AGM (“AGM”) through VC / OAVM, 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 Fifth 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 facility to attend the AGM through VC/OAVM will be provided through the Central Depository Services of India Limited (CDSL). The detailed instructions pertaining to remote e-voting, joining the AGM through VC/OAVM and Voting at the AGM are given separately hereunder.
 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.
 4. 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.
 5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, 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 may be appointed for the purpose of voting through remote e-voting or for participation and voting in the AGM held.
 6. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the 25th AGM along with the Annual Report 2019-20 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 2019-20 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 www.evotingindia.com.
 7. An Explanatory Statement required under Section 102(1) of the Companies Act, 2013 in respect of the business at Item Nos. 3 to 11 of the Notice is annexed hereto.
 8. 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, in respect of Director seeking appointment/re-appointment in this AGM are annexed.
 9. The Reserve Bank of India, vide its circular date April 17, 2020, has directed that banks shall not make any dividend pay-outs from profits pertaining to the Financial Year ended March 31, 2020 until further instructions, with a view that banks must conserve capital in an environment of heightened uncertainty caused by Covid-19. Accordingly, the Board of Directors of the Bank has not proposed any dividend for the year ended March 31, 2020.
 10. The Bank has fixed Saturday, July 04, 2020 as the Record Date [Cut-off Date] for the purpose of the 25th AGM and reckoning entitlement for voting on the Resolutions contained in this Notice. The remote e-voting /voting rights of the Members/beneficial owners shall be reckoned on the Equity Shares held by them as on Saturday, July 04, 2020 (the Cut-off Date) only
 11. 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.
 12. 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.
 13. Since transfer of securities of listed companies in physical mode has been discontinued with effect from, April 01, 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.
 14. The Members who are holding shares in demat form and have not yet registered their 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 their contacts 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 dccbbankgogreen@linkintime.co.in or to the Bank at investorgrievance@dccbbank.com or online facility that may be provided and communicated by the RTA Separately.

15. 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 Tuesday, July 07, 2020 through email on investorgrievance@dccbbank.com. The same will be replied by the Bank suitably.
16. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
17. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Bank, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends (including the dividend so transferred to the IEPF in the history) are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Bank, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in. The Members are requested to respond the communications received from the RTA in this regard as soon as possible or contact them for their assistance.
18. Updated consolidated lists of Unpaid Dividend (FY 2016-17, 2017-18 and 2018-19) as of May 31, 2020 is hosted on website of the Bank at <https://www.dccbbank.com/cms/showpage/page/for-shareholder>. Members, whose dividend has remained unpaid, are requested to contact the Registrar and Transfer Agents (RTA) viz. Link Intime India Private Limited or Share Department of the Bank to claim their unclaimed dividend.

19. 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 MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 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's 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 Mr. S. N. Ananthasubramanian (FCS 4206 & COP 1774) and failing him Ms. Aparna Gadgil (ACS 14713 & COP 8430) of M/s S. N. ANANTHASUBRAMANIAN & Co., Company Secretaries, Thane as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. In terms of requirements of the Companies Act, 2013 and the relevant Rules, the Bank has fixed Saturday, July 04, 2020 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.

INSTRUCTION FOR REMOTE E-VOTING and E-voting at the AGM

The Bank is pleased to offer Remote E-voting facility as well as facility to vote electronically at the AGM (If not voted earlier through remote e-voting) for its Members to enable them to cast their votes electronically. The procedure and instructions for the same are as given hereunder:

- (i) The voting period begins on Wednesday, July 08, 2020 at 9.00 a.m.(IST) and ends on Friday, July 10, 2020 at 5.00 p.m. (IST). During this period Members' of the Bank, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. on Saturday, July 04, 2020 may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Members who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The Members should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Members" module.
- (v) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Bank.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) 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.

(viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

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

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for Resolutions of any other company on which they are eligible to vote, provided that company opts for 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.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the Resolutions contained in this Notice.

(xii) Click on the Electronic Voting Sequence Number (EVSN) of DCB Bank Limited on which you choose to vote.

(xiii) 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.

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

(xv) 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.

(xvi) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) 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.

(xix) Members can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

THE MANNER IN WHICH THE MEMBERS WHO ARE HOLDING SHARES IN PHYSICAL FORM OR WHO HAVE NOT REGISTERED THEIR DETAILS OF BANK ACCOUNTS AND EMAIL ADDRESSES WITH THE BANK CAN GET THE SAME REGISTERED WITH THE BANK AND CAN CAST THEIR VOTE THROUGH REMOTE E-VOTING OR THROUGH THE E-VOTING SYSTEM DURING THE MEETING.

Those members who have not yet registered their email address are requested to get their email addresses registered by following the procedure given below:

(i) The members who have not registered their email address and in consequence could not receive the AGM Notice, may temporarily get their email registered with the Bank's Registrar and Share Transfer Agent, Link Intime India Private Limited, by clicking the link: https://linkintime.co.in/EmailReg/email_register.html and following the registration process as guided thereafter. Post successful registration of the email, the members would get soft copy of the AGM Notice and the procedure for joining the AGM through VC and e-voting along with the User ID and the Password. In case of any queries, members may write to rnt.helpdesk@linkintime.co.in or investorgrievance@dcbbank.com.

(ii) It is clarified that for permanent registration of email address, bank accounts etc. the members are however requested to register their email address and details of bank accounts with the Depository through the concerned Depository Participants in respect of holdings in electronic mode and in respect of holdings in physical mode, with the Bank's Registrar and Share Transfer Agent, Link Intime India Private Limited.

INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC/OAVM:

1. Shareholder attending the AGM may access the VC/OAVM facility through the CDSL e-Voting system at <https://www.evotingindia.com> under Members/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of the Bank will be displayed.
2. Members are requested to join the AGM through Laptops / iPads for better experience.
3. Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.
5. Members 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 July 05, 2020 (9.00 a.m. IST) to July 07, 2020 (5.00 p.m. IST) mentioning their name, demat account number/folio number, email id, mobile number at investorgrievance@dcbbank.com.
6. The Members who do not wish to speak during the AGM but have queries may send their queries in advance till July 07, 2020 (5.00 p.m. IST) mentioning their name, demat account number/folio number, email id, mobile number at investorgrievance@dcbbank.com. These queries will be replied to by the Bank suitably by email.
7. 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.
8. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 (the Act) and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Act, and the Certificate from Auditors of the Bank certifying that the ESOP Scheme of the Bank is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 will be available for inspection of the shareholder attending the Annual General Meeting through VC/OAVM using his/her e-voting login on <https://www.evotingindia.com>.

INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE AGM:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

2. Only those Members, 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.
3. If any Votes are cast by the Members through the e-voting available during the AGM and if the same Members have not participated in the meeting through VC/OAVM facility then the votes cast by such Members shall be considered invalid as the facility of e-voting during the meeting is available only to the Members attending the meeting.
4. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xx) Note for Non – Individual Members and Custodians

- Non-Individual Members (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 Members 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; scrutinizer@snaco.net and investorgrievance@dcbbank.com, respectively, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

All grievances connected with the facility for

voting by electronic means may be addressed to Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542), 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 1800225533.

Other Instructions

1. The Scrutinizer shall immediately after conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through
20. Details of Directors seeking appointment / re-appointment in the 25th AGM scheduled on Saturday, July 11, 2020 (Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), are given below:

Name of Director	Mr. Jamal Pradhan	Ms. Rupa Devi Singh	Mr. Aryn Jassani
Date of Birth	December 14, 1968	January 24, 1956	September 17, 1968
Date of the original Appointment	January 15, 2013	January 22, 2015	January 25, 2020
Date of the last Appointment/ Re-appointment	June 02, 2018	January 22, 2020	January 25, 2020
Expertise in Specific Functional area	SSI, Exports	Agriculture,, SSI & SBF Financing, Corporate & Retail Banking, Infrastructure Sector Financing	Accountancy, Economics, Finance, Law, Risk Management and Audit
Qualification	B. Com OPM42 from Harvard Business School	B. Sc., LLB, CAIB	M. Com, CA, CS
Board Membership of other Public Limited companies as on March 31, 2020	NIL	1	NIL
Names of Listed Entites in which the person holds Directorship	NIL	JSW Energy Limited	NIL
Chairman/ Member of the Committee of the Board of Directors of the Bank as on March 31, 2020	Chairman: 2 i) Stakeholders' Relationship Committee of Board ii) Customer Service Committee of Board	Chairman: NIL	Chairman: NIL
	Member:	Member:	Member:
	i) Credit Committee of Board	(i) Credit Committee of Board	(i) Risk Management Committee of Board
	ii) Fraud Reporting & Monitoring Committee of Board	(ii) Nomination & Remuneration Committee of Board	(ii) Audit Committee of Board
	iii) Information Technology Strategy Committee of Board	(iii) Customer Service Committee of Board	(iii) Fraud Reporting & Monitoring Committee of Board
		(iv) Corporate Social Responsibility Committee of Board	(iv) Nomination & Remuneration Committee of Board
		(v) Executive Committee of Board	(v) Stakeholders Relationship Committee of Board
			(vi) Customer Service Committee of Board

remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same.

2. The result declared along with the Scrutinizer's Report shall be placed on the Bank's Website www.dccb.com and on the website of CDSL www.evotingindia.com. The Bank shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where shares of the Bank are listed.

Name of Director	Mr. Jamal Pradhan	Ms. Rupa Devi Singh	Mr. Amyn Jassani
Chairman/ Member of the Committee of Directors of the other Companies in which he is a Director as on March 31, 2020.			
a. Audit Committee Member	Chairman: NIL Member: NIL	Chairman: NIL Member: NIL	Chairman: NIL Member: NIL
b. Stakeholders' Relationship Committee	Chairman: NIL Member: NIL	Chairman: NIL Member: NIL	Chairman: NIL Member: NIL
c. Other Committees	Chairman: NIL Member: NIL	Chairman: NIL Member : NIL	Chairman: NIL Member : NIL
Number of Equity Shares held in the Bank as on March 31, 2020	4,723	Nil	100

Name of Director	Mr. Shabbir Merchant	Mr. Somasundaram PR	Mr. Rafiq Somani
Date of Birth	September 12, 1968	November 15, 1960	October 11, 1966
Date of the original Appointment	January 25, 2020	January 25, 2020	March 09, 2020
Date of the last Appointment/ Re-appointment	January 25, 2020 (Independent Director w.e.f. January 25, 2020)	January 25, 2020 (Independent Director w.e.f. January 25, 2020)	March 09, 2020 (Independent Director w.e.f. March 09, 2020)
Expertise in Specific Functional area	Human Resources Management, Talent Management, Leadership Development	Accountancy, Banking, Finance	Expertise in Information & Technology
Qualification	B.Com; Masters in Personnel Management	B.Com, ACA, Grad, CWA	B.E in Computer Science & Master in Management
Board Membership of other Public Limited companies as on March 31, 2020	NIL	NIL	NIL
Names of Listed Entites in which the person holds Directorship	NIL	NIL	NIL
Chairman/ Member of the Committee of the Board of Directors of the Bank as on March 31, 2020	Chairman: NIL Member:	Chairman: NIL Member:	Chairman: NIL Member:
	(i) Nomination & Remuneration Committee	(i) Audit Committee	(i) Information Technology Strategy Committee
	(ii) Stakeholders Relationship Committee of Board	(ii) Capital Raising Committee	
		(iii) Risk Management Committee	

Name of Director	Mr. Shabbir Merchant	Mr. Somasundaram PR	Mr. Rafiq Somani
Chairman/ Member of the Committee of Directors of the other Companies in which he is a Director as on March 31, 2020.			
a. Audit Committee Member	Chairman: NIL Member: NIL	Chairman: NIL Member: NIL	Chairman: NIL Member: NIL
b. Stakeholders' Relationship Committee	Chairman: NIL Member: NIL	Chairman: NIL Member: NIL	Chairman: NIL Member: NIL
c. Other Committees	Chairman: NIL Member : NIL	Chairman: NIL Member : NIL	Chairman: NIL Member : NIL
Number of Equity Shares held in the Bank as on March 31, 2020	850	Nil	1238

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 Thursday, June 11, 2020:

ITEM NO.3

Appointment of Statutory Auditors:

M/s Deloitte, Haskins & Sells, Chartered Accountants (Registration No.117365W) have been the statutory auditors of the Bank since Financial Year 2016-2017 and have completed a continuous term of four years as Bank's Statutory Auditors, the maximum permissible under the provisions of the Banking Regulation Act, 1949, and therefore they are not eligible for re-appointment for further period. It is therefore proposed to appoint M/s S R Batliboi & Associates LLP, Chartered Accountants (Registration No. 101049W/E300004) in place of M/s Deloitte, Haskins & Sells, Chartered Accountants, as statutory auditors of the Bank, to hold office from the conclusion of the Twenty Fifth AGM until the conclusion of the Twenty Ninth AGM, subject to approval of all concerned regulatory/ statutory authority(ies). Presently, the annual fee is proposed at ₹ 9,200,000 (Rupees Ninety Two Lakhs only) plus outlays and taxes at the applicable rates, for the purpose of audit. However, the Board including relevant committee(s) thereof be given the power to alter and vary the terms and conditions arising out of increase in scope of work, amendment in Accounting Standards or regulations and such other requirements resulting in change in scope of work. Any such change in the terms and conditions of appointment and remuneration of the statutory auditors would be intimated in the Directors' Report of the Bank in the relevant year.

M/s S R Batliboi & Associates LLP, Chartered Accountants have confirmed their eligibility to be appointed as Statutory Auditors in terms of Section 141 of the Companies Act, 2013 and applicable rules and have consented to act as auditors of the Bank, if appointed, and have intimated that such appointment would be in

accordance with the conditions prescribed in Section 139 of the Companies Act, 2013. The details in relation to and credentials of the auditors proposed to be appointed are as follows:

M/s. S. R. Batliboi & Associates LLP, Chartered Accountants is a partnership firm established in 1965 with registered office at Kolkata and 11 branches across the country, 41 partners and a team of 1517 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.

Considering the experience of the firms in audit of private sector banks, their international affiliation, staff strength, network of offices in India etc. the Board recommends the appointment of M/s. S. R. Batliboi & Associates LLP, Chartered Accountants (ICAI Firm Registration No.: 101049W/E300004) as the Bank's statutory auditors for a period of 4 year(s) for approval of the Members by an Ordinary Resolution as indicated in Item No.3 of the accompanying notice."

The Reserve Bank of India vide letter Ref DOS. ARG. No.AS-10/08.37.005/2019-20 dated April 24, 2020 has approved the appointment of M/s S R Batliboi & Associates LLP, Chartered Accountants as Statutory Auditors for the Financial year 2020-21 for their first year.

None of the Directors or Key Managerial Personnel and their relatives is, directly or indirectly, concerned or interested financially or otherwise in the passing of Resolution at Item No.3.

ITEM NO.4

Re-appointment of Ms. Rupa Devi Singh as an Independent Director for second term up to January 21, 2023

Ms. Rupa Devi Singh was originally appointed as an Independent Director of the Bank on January 22, 2015 for a period of five

years. The said period of five years ended on January 21, 2020. She was eligible for re-appointment as Independent Director for one more term of up to five consecutive years subject to meeting criteria of independence and passing of a Special Resolution by the Members of the Bank to that effect. However, since the Bank's Board is also governed by the Banking Regulation Act, 1949, the maximum term of the Directors on the Board of the Bank is restricted to 8 years from the original appointment and therefore the re-appointment is for the balance period of three years.

Considering the past performance of Ms. Rupa Devi Singh as an Independent Director of the Bank, her consent and necessary disclosures to continue as an Independent Director of the Bank and that she continues to meet criteria of Independence, the Board of Directors, by a Circular Resolution dated January 21, 2020, had approved her re-appointment as an Independent Director of the Bank for the second term from January 22, 2020 to January 21, 2023, subject to approval of the Members and have recommended her re-appointment for approval of the Members in the forthcoming 25th AGM by way of a Special Resolution.

None of the Directors other than Ms. Rupa Devi Singh, nor any Key Managerial Personnel or their respective relatives are, in any way interested in the Resolution at Item No.4 of the Notice.

ITEM NO.5

Appointment of Mr. Amyn Jassani as an Independent Director

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors appointed Mr. Amyn Jassani as Additional Independent Director of the Bank with effect from January 25, 2020 for a period of five years till January 24, 2025, subject to approval of Members.

In view of the provisions of Section 149 (10) of the Act read with Section 10-A (2-A) of the Banking Regulation Act, 1949 (BR Act), appointment of Mr. Amyn Jassani as Independent Director is being taken now for a term of five years from the date of his appointment i.e. January 25, 2020. Accordingly, in terms of Sections 150(2) & 152 of the Companies Act, 2013 & Section 10-A(2-A) of the BR Act, Resolution at Item No. 5 seek to obtain the Members approval for the appointment of Mr. Amyn Jassani as an Independent Director of the Bank.

The details of Mr. Jassani are set out in the Annexure to the Notice.

The Bank has received declaration from Mr. Jassani that he meets the criteria of independence as prescribed both under Section 149(6) of the Companies Act, 2013 and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) (Amendment) Regulations, 2018.

The Board of Directors recommends the appointment of Mr. Jassani as Independent Director, not liable to retire by rotation. In the opinion of the Board of Directors, Mr. Amyn Jassani fulfils the conditions specified under the Companies Act, 2013 for appointment as Independent Director.

None of the Directors except Mr. Jassani and his relatives, Key Managerial Personnel of the Bank or their relatives is any way interested in the Resolution at Item No. 5 relating to appointment of Mr. Amyn Jassani as an Independent Director.

ITEM NO.6

Appointment of Mr. Shabbir Merchant as an Independent Director

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors appointed Mr. Shabbir Merchant as Additional Independent Director of the Bank with effect from January 25, 2020 for a period of five years till January 24, 2025, subject to approval of Members.

In view of the provisions of Section 149 (10) of the Act read with Section 10-A (2-A) of the Banking Regulation Act, 1949 (BR Act), appointment of Merchant as Independent Director is being taken now for a term of five years from the date of his appointment i.e. January 25, 2020. Accordingly, in terms of Sections 150(2) & 152 of the Companies Act, 2013 & Section 10-A(2-A) of the BR Act, Resolution at Item No. 6 seek to obtain the Members approval for the appointment of Mr. Shabbir Merchant as an Independent Director of the Bank.

The details of Mr. Merchant are set out in the Annexure to the Notice.

The Bank has received declaration from Mr. Merchant that he meets the criteria of independence as prescribed both under Section 149(6) of the Companies Act, 2013 and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) (Amendment) Regulations, 2018.

The Board of Directors recommends the appointment of Mr. Merchant as Independent Director, not liable to retire by rotation. In the opinion of the Board of Directors, Mr. Shabbir Merchant fulfils the conditions specified under the Companies Act, 2013 for appointment as Independent Director.

None of the Directors except Mr. Merchant and his relatives, Key Managerial Personnel of the Bank or their relatives is any way interested in the Resolution at Item No. 6 relating to appointment of Mr. Shabbir Merchant as an Independent Director.

ITEM NO.7

Appointment of Mr. Somasundaram PR as an Independent Director

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors appointed

Mr. Somasundaram PR as Additional Independent Director of the Bank with effect from January 25, 2020 for a period of five years till January 24, 2025, subject to approval of Members.

In view of the provisions of Section 149 (10) of the Act read with Section 10-A (2-A) of the Banking Regulation Act, 1949 (BR Act), appointment of Merchant as Independent Director is being taken now for a term of five years from the date of his appointment i.e. January 25, 2020. Accordingly, in terms of Sections 150(2) & 152 of the Companies Act, 2013 & Section 10-A(2-A) of the BR Act, Resolution at Item No. 7 seek to obtain the Members approval for the appointment of Mr. Somasundaram PR as an Independent Director of the Bank.

The details of Mr. Somasundaram are set out in the Annexure to the Notice.

The Bank has received declaration from Mr. Somasundaram that he meets the criteria of independence as prescribed both under Section 149(6) of the Companies Act, 2013 and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) (Amendment) Regulations, 2018.

The Board of Directors recommends the appointment of Mr. Somasundaram as Independent Director, not liable to retire by rotation. In the opinion of the Board of Directors, Mr. Somasundaram PR fulfils the conditions specified under the Companies Act, 2013 for appointment as Independent Director.

None of the Directors except Mr. Somasundaram and his relatives, Key Managerial Personnel of the Bank or their relatives is any way interested in the Resolution at Item No. 7 relating to appointment of Mr. Somasundaram PR as an Independent Director.

ITEM NO.8

Appointment of Mr. Rafiq Somani as an Independent Director

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors appointed Mr. Rafiq Somani as Additional Independent Director of the Bank with effect from March 9, 2020 for a period of five years till March 8, 2025, subject to approval of Members.

In view of the provisions of Section 149 (10) of the Act read with Section 10-A (2-A) of the Banking Regulation Act, 1949 (BR Act), appointment of Merchant as Independent Director is being taken now for a term of five years from the date of his appointment i.e. January 25, 2020. Accordingly, in terms of Sections 150(2) & 152 of the Companies Act, 2013 & Section 10-A(2-A) of the BR Act, Resolution at Item No. 8 seek to obtain the Members approval for the appointment of Mr. Rafiq Somani as an Independent Director of the Bank.

The details of Mr. Somani are set out in the Annexure to the Notice.

The Bank has received declaration from Mr. Somani that he meets the criteria of independence as prescribed both under Section 149(6) of the Companies Act, 2013 and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) (Amendment) Regulations, 2018.

The Board of Directors recommends the appointment of Mr. Somani as Independent Director, not liable to retire by rotation. In the opinion of the Board of Directors, Mr. Rafiq Somani fulfils the conditions specified under the Companies Act, 2013 for appointment as Independent Director.

None of the Directors except Mr. Somani and his relatives, Key Managerial Personnel of the Bank or their relatives is any way interested in the Resolution at Item No. 8 relating to appointment of Mr. Rafiq Somani as an Independent Director.

ITEM NO.9.

Increase in Borrowing Powers

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

Under Section 180 of the Act, the aforementioned powers of the Board can be exercised only with the prior consent of the Members of the Bank by a Special Resolution. Such an approval from the Members was last secured at the 24th AGM held on June 1, 2019 by which the Borrowing limit was increased to ₹ 4,000 Core.

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

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

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

ITEM NO.10

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

The Bank has been borrowing funds to meet the business requirements within the limits approved by the Members by way of issuance of various debt securities (bonds/debentures) as permitted by the Reserve Bank of India ("RBI") and in accordance with the provisions of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, and other applicable laws, from time to time.

In terms of Section 42 of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, the Bank is permitted to make 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 (AGM) held on June 1, 2019, 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 25th 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. 10 of this Notice for borrowing / raising funds in Indian / foreign currency by issue of debt securities on private placement basis.

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

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

ITEM NO.11

Issue of Equity Shares to Qualified Institutional Buyers through a Qualified Institutions Placement

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. mortgage loans), Micro SME / SME, Corporate, Commercial Vehicles, Construction Finance, Agriculture and Microfinance Assets. 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 11.5% capital adequacy on incremental assets, the proceeds of the issue of Equity Shares would enable the Bank to add approximately ₹ 4,348 crore of risk weighted assets.

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

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.11 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.11 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 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.

By Order of the Board of Directors

DCB Bank Limited

Place: Mumbai

Date: June 11, 2020

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

DIRECTORS' REPORT

Your Directors are pleased to present the Twenty Fifth 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, 2020 (FY 2020).

In FY 2020, the Bank has posted an Operating Profit of ₹ 753.06 crore (FY 2019 ₹ 646.60 crore) and a Net Profit of ₹ 337.94 crore (FY 2019 ₹ 325.37 crore).

Total Assets have increased by ₹ 2,713.31 crore and reached ₹ 38,505.14 crore as on March 31, 2020 (₹ 35,791.83 crore as on March 31, 2019).

Customer Deposits have increased by ₹ 2,241.09 crore and Advances have increased by ₹ 1,777.29 crore. Your Bank has been contributing significantly to Priority Sector Lending (PSL) and has achieved the overall PSL target as required by the Reserve Bank of India (RBI).

The Net Interest Margin (NIM) was 3.67% in FY 2020 as compared to 3.83% in FY 2019 and the Current and Savings Accounts (CASA) ratio stood at 21.5% as on March 31, 2020.

Cost to Income Ratio has decreased to 54.5% in FY 2020 from 56.9% in FY 2019. Total Branch network stood at 336 as on March 31, 2020 (333 as on March 31, 2019) and ATM network was 504 as on March 31, 2020 (504 as on March 31, 2019).

Provisions Other Than Tax have increased to ₹ 261.14 crore in FY 2020 from ₹ 140.06 crore in FY 2019. The increase was mainly due to provision of ₹ 63 crore towards Covid-19 Regulatory Package Provision. The Bank is adopting a conservative approach towards potential stress on account of Covid-19 and moratorium permitted by the Reserve Bank of India. The Bank also made provision for existing and fresh Non Performing Assets (NPA) slippages, and provision against Standard Assets.

Gross NPAs have increased to ₹ 631.51 crore as on March 31, 2020 from ₹ 439.48 crore as on March 31, 2019. Consequently, Gross NPA Ratio as on March 31, 2020 was 2.46% as compared to 1.84% as on March 31, 2019. Net NPAs have increased to ₹ 293.51 crore as on March 31, 2020 as against ₹ 153.77 crore as on March 31, 2019. Consequently, Net NPA Ratio as on March 31, 2020 was 1.16% as compared to 0.65% as on March 31, 2019. The overall NPA Provision Coverage Ratio as on March 31, 2020 was 70.81 % (78.77% as on March 31, 2019).

Return on Assets (RoA) Ratio in FY 2020 was 0.90% as compared to 0.99% in FY 2019.

Corresponding Return on Equity (RoE) Ratio in FY 2020 was 11.19% as compared to 12.08% in FY 2019.

Capital Adequacy Ratio (CAR) under Basel III as on March 31, 2020 stood at 17.75% (16.81% under Basel III as on March 31, 2019).

FINANCIAL SUMMARY

(₹ in crore)

Balance Sheet	As at March 31, 2020	As at March 31, 2019	Increase / (Decrease)
Customer Deposits	26,287.15	24,046.06	2,241.09
Inter Bank Deposits	4,082.78	4,389.05	(306.27)
Total Deposits	30,369.93	28,435.11	1,934.82
<i>[Including Total CASA*]</i>	<i>[6,519.22]</i>	<i>[6,809.90]</i>	<i>[290.68]</i>
Advances	25,345.29	23,568.00	1,777.29
Gross – NPA	631.51	439.48	192.03
Net – NPA	293.51	153.77	139.74
Provision for Standard Assets**	174.90	97.11	77.79
Total Assets	38,505.14	35,791.83	2,713.31
Profit & Loss	For the year ended March 31, 2020	For the year ended March 31, 2019	Increase / (Decrease)
Net Interest Income	1,264.91	1,149.29	115.62
Non Interest Income	391.10	350.16	40.94
Total Operating Income	1,656.01	1,499.45	156.56
Operating Cost	902.95	852.85	50.10
Operating Profit	753.06	646.60	106.46
Provisions Other than Tax	261.14	140.06	121.08
Net Profit Before Tax	491.92	506.54	(14.62)
Tax	153.98	181.17	(27.19)
Net Profit After Tax	337.94	325.37	12.57

* Current and Savings Accounts (CASA)

** Including provision towards Covid-19 impacted stressed accounts on which moratorium was granted by the Bank, provision for unhedged foreign currency exposure and provision for specific Standard Assets.

DIVIDEND

The Reserve Bank of India, vide its circular date April 17, 2020, has directed that banks shall not make any dividend pay-outs from profits pertaining to the financial year ended March 31, 2020 until further instructions, with a view that banks must conserve capital in an environment of heightened uncertainty caused by Covid-19. Accordingly, the Board of Directors of the Bank, has not proposed any dividend for the year ended March 31, 2020.

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, which has been very successful and now completed 10 years.

TARGET MARKET

Keeping in view its inherent strengths, branch network and expertise, the Bank's target market is mainly small business owners / self-employed / small business segment (traders, shopkeepers, business owners, MSMEs and SMEs). The Bank has chosen to have limited presence in the salaried segment. The MSME / SME sector is a vibrant and dynamic sector of the Indian economy and plays a very important role in the growth of the Indian economy. This segment is resilient and displays entrepreneurial spirit. Small enterprises create millions of jobs and maintain social stability. The MSME sector plays a pivotal role in the economic and social development of the country. In the long run, Goods & Service Tax (GST) and other reforms are expected to be beneficial to the economy.

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 2018-19 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.

As of now, economic activity has been significantly affected by the unavoidable steps taken by the government to limit the spread of Covid-19. Lock-down restrictions have dampened demand, disrupted labor and supply chain. Lock-down has majorly impacted the self-employed segment. The general view is that the economic activity is likely to resume and improve step by step in response to easing of lock-down restrictions. We are all learning to deal with the effects of the pandemic. It is difficult, if not impossible, to estimate the shape of things to come in near term. Once lock-down restrictions are eased, loan demand may pick-up slowly in 3 to 6 months (depending upon type of business/industry). Smaller locations may recover sooner than metropolitan / large cities. The recovery may not be smooth and there may be further disruptions in the coming months. The Bank intends to re-look at all its credit policies in the light of Covid-19 disruptions. In the near term, the aim is to preserve capital, manage portfolio stress, reduce costs and maintain adequate liquidity. We have to continuously watch out for safety of staff and customers while running banking operations.

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+ (hyb)/ (stable) rating for Basel III Compliant Tier II Bonds Programme and ICRA A1+ rating for Short Term Fixed Deposits Programme and CARE A1+ for Short Term Bank Facilities.

AWARDS AND RECOGNITION

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

Corporate Social Responsibility (CSR)

- Awarded by Bombay Chamber of Commerce and Industry, Mumbai for 'Sustainable Environmental Initiatives' for CSR projects.
- Awarded for Best CSR Project at Asian Customer Engagement & Forum - ACEF HR & CSR Forum & Awards, Mumbai.

Human Resources

DCB Bank continues to be Great Place to Work-Certified™ for building a High-Trust and High-Performance Culture™. It has also featured in the top 25 organisations among India's Best Workplaces in BFSI 2020.

Information Technology

Your Bank's efforts in modernising technology and being in the forefront of innovation was recognised in many forums as below:

- "Tech Trendsetter" at India Banking Reforms Conclave & BFSI Awards
- "Best Private Bank of the Year" by Indian Banking Summit and Awards 2019
- "BFSI Digital Innovation Award 2020" in BFSI Technology Conclave by Indian Express
- Award for SME Finflex Banking system at Finnoviti 2020

BRANCH EXPANSION / ATMs

The number of branches as on March 31, 2020 stands at 336 [188 Retail branches and 148 branches in Agri and Inclusive Banking (AIB)]. In line with the stated strategy, approximately 20 percent of the branches are in rural areas and 26 percent in semi-urban areas. The branch expansion strategy which led to the opening of 150 new branches between October 2015 and October 2017, is now yielding results, with a very high proportion of the branches breaking even in less than 24 months from the start of their operations. The new branches have a common look and feel and they are designed to provide a unique, positive and seamless banking experience for the customer. The Bank has 504 ATMs as on March 31, 2020.

RETAIL BANKING

Retail Banking offers unique products for meeting financial needs and 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. In order 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 Suraksha is a unique deposit that not only offers a higher interest rate than competition but also provides a "no medical required life insurance cover" at "zero cost" to customers (subject to terms and conditions). During FY 2020, the Bank has substantially changed the liquidity profile and mix of its deposits. The focus was on obtaining granular deposits. In comparison to the previous year, the Bank saw its Retail Term Deposit grow by 51%. Consequently, the top 20 deposits ratio which was at 12.01% at the start of the year declined to 9.27% at the end of FY 2020.

Mortgage and Micro Mortgage Loans

Mortgage contributes 42 % of the Bank's loan portfolio and is the leading product for the past many years. Almost all the branches offer Mortgage loans. These loans are primarily targeted to self-employed customers in the neighbourhood of our branches. The main purposes of these loans are home purchase, home improvement, home repairs, business growth and personal expenses such as education or marriage. Micro or small ticket mortgages are particularly sought after in Tier 2 to Tier 6 locations. Many people in the rural and semi-urban areas derive cash income from small businesses or trade. At times this creates challenges in estimation of income and hence estimation of repayment capacity. The Bank has demonstrated the ability to assess the household income for such customers by ensuring in depth personal discussions with the borrowers and co-borrowers. Apart from creating a good quality portfolio the Bank has been able to achieve financial inclusion. Most of these micro loans qualify under the Priority Sector Loan (PSL) norms of the RBI. As a part of the Government of India's Pradhan Mantri Awas Yojana Scheme, during this year the Bank has processed the subsidy applications for many home loan borrowers and subsidy has been credited to 1,449 customers.

Construction Finance (CF)

The construction sector is an important contributor to the growth of our economy. Affordable housing is a key thrust area of the Government, in both rural and urban areas. The implementation of Real Estate Regulation & Development Act, (RERA) 2016, in most states, has brought in much more transparency into this sector, thus creating conditions favourable for banks and home buyers. The Bank's approach is to focus on reputed builders with a strong track record who are primarily concentrating on affordable housing segment. The Bank takes on limited exposure per customer / project and has created credit processes to monitor utilisation and completion.

Commercial Vehicle (CV) Loans

Commercial Vehicle Loans (CV) significantly improves the PSL composition in the Bank. Almost 95% of the CV portfolio is categorised as PSL. This facility is offered across 110 locations. The CV industry is facing headwinds on account of weak economic conditions. In the near term the CV book is expected to be have some stress. The Bank has allocated adequate

Collections and Recovery staff to manage the CV portfolio. 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 trained, in house valuers, which has resulted in improvement in cycle times and service delivery. The Bank has implemented “Gradaitm” a dedicated front end software for on-boarding gold loan customers.

Insurance and Mutual Funds Distribution

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

Traditional Community Banking

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

Non-Resident Indian (NRI) business

The Bank has NRI customers from over 134 countries, which contribute to 10% of the Bank’s total customer deposits. During the year, the Bank successfully and smoothly acquired deposit portfolio of two branches of the India business of Abu Dhabi Commercial Bank (ADCB). The deposits of ADCB were largely high quality NRI deposits.

ATMs

The number of ATMs as on March 31, 2020 was at 504. The Bank has taken steps to strengthen the security features and comply with RBI guidelines on EMV. During the year the Bank modernized more than 30% of the equipment by replacing old ATMs with new machines.

DCB Cards

In FY 2020, the Bank introduced the following in DCB Cards: -

- Dynamic additional (second factor) authentication
- International transaction block/ unblock feature
- Online transaction block/unblock feature
- Card usage limits in terms of velocity and volume

The above security features can be availed by customers through a seamless digital experience.

DCB Debit Cards

The Bank offers Cashback benefits for using its Debit Cards subject to maintaining prescribed average balances in CASA. At the end of FY 2020, the Bank had 582,366 Debit Cards. The overall focus on “Digital India” is helping to increase digital transactions rapidly. DCB Debit Cards, from time to time, also offer additional promotional discounts on specific categories of spends.

DCB NiYO Global Cards

DCB Niyo Global Card is a Debit Card powered by Visa and is issued on DCB Niyo Current Account. This card enables the cardholders to access their funds anywhere and anytime. The cardholder is not required to worry about running out of funds or even calculating foreign exchange mark-ups. DCB Niyo Global Card is a “must” for every traveler. The Bank had approximately 170,000 cards at the end March 31, 2020.

DCB Payless Cards

This is a unique product offered by the Bank and is a preferred card for self-employed or salaried who are unable to provide complete documented proof of their income which precludes them from obtaining credit cards from other banks. In FY 2020, the Bank witnessed a major increase in usage of DCB Payless Cards in Point of Sale (POS) and e-Commerce. The Bank has created a facility for paperless issuance of DCB Payless Cards for its existing fixed deposit customers.

DCB Bank Prepaid Cards

DCB Bank has full suite of payment products on its prepaid platform. The versatile capability can cater to different needs of product providers. The card is targeted at unbanked population. It helps convert small ticket cash purchases to digital mode. As an example, at the end of FY 2020, DCB Niyo Blue Card (offered to blue collared workers) stood at approximately 550,000 cards.

COLLECTIONS AND RECOVERIES

Collections and Recoveries is a critical function and overtime this function has developed robust capabilities to collect overdue payments and ensure portfolio quality across products. The senior officers in the collections unit are experienced to understand the issues faced by customers and strive to find acceptable ways to rehabilitate the customers in case of stress. The team operates out of 245 locations in India. The use of data analytics to improve predictability has been critical in improving the productivity of this unit. The M-Collect mobile app for providing system generated receipts on the field is working efficiently and provides real time updates to the loan system.

STRATEGIC ALLIANCES

One of the key strategies of the Bank is to look for alliances with entities that may have similar business objectives. The idea is to enhance product benefits in order to facilitate new customer

DCB Bank Limited

acquisitions and customer retention. Over time, we expect stronger customer loyalty and increased fee income.

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
Aditya Birla Sun Life Insurance Company Ltd	Corporate Agency
HDFC Standard Life Insurance Company Ltd	Corporate Agency
ICICI Lombard GIC Ltd	Corporate Agency
Royal Sundaram GIC Ltd	Corporate Agency

Remittance Solutions

Name of the Partner	Type of arrangement
Avenues Payments India (P) Ltd	Remittance Platform Solution

Service Partners

Name of the Partner	Type of arrangement
Atos Worldline India (P) Ltd	Merchant Acquiring
Skilworth Technologies Pvt Ltd. (Bijlipay)	Merchant Acquiring
CMS Info System Limited	ATM deployment and Cash management
Euronet Services India Limited	ATM and Switch Management
M2P Solutions Pvt Ltd.	Program Partner

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
Xomic Infotech Private Limited	Government E Marketplace Payment Management System

MSME and SME

The MSME and SME is a large and ubiquitous segment. This segment is the core target market for your Bank. It is a bedrock and lifeline of the economy. Unfortunately, due to lock-down restrictions on account of Covid-19 pandemic this segment is most affected. The Bank through its frontline officers has been reaching out to its customers during the lock-down. It appears that a majority of customers will be able to revive their business within a few months of easing of lock-down restrictions. The Bank has also been providing information on moratorium and urging customers to continue to meet their loan obligations in case their cash flows are not affected. In the coming months the Bank intends to continue to work closely with its customers across all products. The Bank is likely to participate in the special loan guarantee scheme recently announced by the Government.

CORPORATE BANKING (CB)

The Bank's intention is to have a limited presence exposure in Corporate Banking. This business operates across India with regional offices in Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Kolkata, and Mumbai. The business objective is to provide a complete range of commercial banking solutions including Foreign Exchange, Trade Finance and Cash Management. The Bank has a robust underwriting and credit system to address the inherent risks in Corporate Banking. The emphasis is on building a secured loans portfolio and creating long term relationships with high quality large and mid-corporates. During FY 2020, the Bank acquired a select good quality Corporate Loan portfolio of two branches of ADCB in India. In order to ensure quality, 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 2020, the Bank added 37 new relationships in Corporate Banking. Your Bank understands that the Relationship Managers (RMs) must have in-depth knowledge of various industries and corporates. In order to meet this need, the Bank has introduced RM Knowledge Improvement Programs wherein information on various industries, corporates and credit ratings are shared with the RMs on a regular basis.

AGRI AND INCLUSIVE BANKING (AIB)

AIB is a separate unit designed to enhance the Bank's Rural and Semi-Urban footprint with the main aim of achieving Financial Inclusion and PSL. At the end of March 2020, AIB had 148 branches in 11 states. Rural and Semi-Urban India offers numerous business opportunities for simple innovative technology backed products. Many of the new branches are located in Tier 2 to Tier 6 locations. There is a constant endeavour to cater to underbanked and unbanked population of the country through a wide range of products, for example, zero balance savings

account, small recurring deposit account, small loans to match the income and cash flow cycle. AIB also coordinates the entire PSL efforts for the Bank and is primarily responsible for achieving the financial inclusion targets.

Pradhan Mantri Jan-Dhan Yojana (PMJDY)

In FY 2020, your Bank actively participated in PMJDY. The Bank had 32,281 PMJDY accounts as on March 31, 2020. 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. As on March 31, 2020 the Bank had 6,483 customers under PMSBY; 3,330 customers under PMJJBY and 2,397 customers in APY.

Basic Savings Bank Deposit Account (BSBDA)

BSBDA has replaced “No frills account”. This is a wonderful product for achieving financial inclusion especially for those who have limited transaction needs in the low income group. The Bank had 47,032 BSBDA accounts as on March 31, 2020.

Kisan Mitra

“Kisan Mitra” as the name suggests, is a liability product, which fulfils the requirement and improves the saving habit in rural areas. It is a product specially designed for farmers. It is a modified Savings Account with “Zero” account opening balance and no Average Quarterly Balance maintenance charges.

Retail Agriculture Loan and Kisan Credit Card

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

Tractor Loans

Tractor Loans is an integral part of the total agricultural equipment sector and is an indirect indicator of growth in the agricultural sector. The Bank has steadily built its business across Tier 2 to Tier 6 locations and part of the Agri and Small and Marginal Farmers loan targets set by RBI are met by tractor loans. In FY 2020, the Bank has started loans for used tractors, which is likely to benefit small and marginal farmers who cannot afford new tractors. Tractor loans are originated using the tab banking facility which enables doorstep servicing to the customers.

Microfinance Institutions (MFIs) and Business Correspondents (BCs)

The Bank lends directly to MFIs who in turn lend to end borrowers. Over time, the Bank has created a strong network of MFI relationships across India. The Bank is also providing unsecured loans through BCs in select states. Loans are given to members of Self Help Groups (SHGs) and Joint Liability Groups (JLGs) thereby enabling them to avail small loans from the banking sector instead of high cost borrowing from money lenders. These loans are primarily provided to small farmers and weaker sections mainly in rural areas. In order to support the volume growth, your Bank has an efficient software system for managing BC Loans. This software helps maintain adequate information about the borrowers under SHGs and JLGs. It provides a common platform for the Bank and BCs for efficient and timely processing of loans.

ALTERNATE CHANNELS AND DIGITAL BANKING

Phone Banking

In FY 2020, the Bank's Customer Care Associates attended to almost 100,000 calls per month. The Call Center achieved one of the best “speed to answer” response time across the industry. At DCB Bank's 24-Hour Customer Care, customers directly get connected with the call center agents / associates without having to go through Interactive Voice Response (IVR) menu. Considering the Bank has to cater to entire India, 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 runs programs such as ‘Voice of the Customer’ for effective complaint resolution and process improvement. One of the key measures initiated is a customer retention calling team is to encourage customers to restart banking with us and also do a deep dive on issues faced by customers. It is a window provided to the customers to give the Bank valuable feedback which are then passed on to the various functions and the product teams for corrective action and improvements. During FY 2020, the unit migrated to new complaint management tool “Genie” which helps auto populate customer information thereby reducing the time taken to resolve customer issues. In addition, this new software has a feature to send “ticket numbers” to customers via SMS which helps customers for future reference. The Bank has quickly adopted to new “Work From Home” technologies in view of the Covid-19 situation and now have almost 60% of its call center agents serving customers from home.

DCB Mobile and Internet Banking

The Bank's customers have been offered a “New Mobile Banking App” with enhanced features and easy navigation. For example, now customers can create “Fixed Deposits”, block or unblock their debit card for POS, e-Commerce, ATM etc. The new mobile

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banking app has been welcomed by customers and the rating in the Play Store (Android) has jumped from 2.7 to 4.7 within a short time. In FY 2020, the Bank has approximately 85,000 customers using the Internet Banking from the comfort of their home or office. The Bank has launched fast, convenient and environment friendly “Green PIN” concept for Internet Banking passwords. This eliminates the need for delayed paper based delivery of passwords through the use of postal services.

The Bank has also launched “e-Verify Income Tax Return” via the Bank’s online banking facility.

DCB Unified Payment Interface (UPI):

UPI has become one of the most popular digital mode for small transactions. Approximately 120,000 account holders used the UPI channel in FY 2020. The UPI mode can be used for IPO applications as well.

DCB Open Banking

Open Banking is an innovative emerging trend in financial technology. It is based on APIs that enable third party service providers to build applications and services around a bank’s technology platform. In FY 2020, the Bank integrated its banking services with Zoho Books. The self-employed can use this powerful software to seamlessly combine their book keeping and banking transaction needs. It reduces the need for time consuming bank reconciliation and in general is a very convenient and productive way of running a business.

DCB Remit

DCB Remit allows a resident individual to send money to over 20 countries including Australia, Canada, Euro Zone, Singapore, UAE, UK and USA from the mobile phone, without ever having the need to visit a branch. What is more, for using DCB Remit the user does not have to be the Bank’s customer. Regardless of whichever bank the customer banks with, DCB Remit has the power to remit funds in seven different currencies in a completely paperless fashion.

Digitally Enabled Government Services

GeM (Government E-Marketplace), is an online platform that facilitates online procurement of commonly used goods and services required by various government departments and PSUs. The Bank has tied up with Government e-Marketplace (GeM) through a Memorandum of Understanding, as an associate bank to facilitate transactions between buyers and sellers on the GeM portal. This would enable a majority of the Bank’s self-employed customers to participate in the procurement process of various government departments. Further, the customer information available on the portal will enable the Bank to extend credit facilities inter alia Invoice Financing and Short Term Loans.

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 18 vendors for CMS cheque collections across India. The Bank has upgraded the CMS system for both Payments and Collections making it rich in features. At the end of FY 2020, the Bank had 6,375 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 2020, BIB facility had 30,884 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 2020, the Bank made gains in a cautious manner by utilizing the trading opportunities in G-Sec presented by declining interest rates. The Bank selectively invested in Equity IPOs and booked profits by way of listing gains. The Bank also invested in units of Liquid Mutual Funds in order to earn interest income on liquidity mismatches.

Money Market

India’s Gross Domestic Product (GDP) growth rate came below 5.0% indicating some level of slowdown even prior to Covid-19. The Index of Industrial Production (IIP) remained muted indicating slowdown and lack of growth in many sectors. The Consumer Price Index (CPI) inflation moved up sharply from a low of 2.57% in April 2019 to 7.59% in February 2020 before coming down to 6.58% in March 2020. In order support growth, RBI appears to be taking an accommodative stance and, in steps, reduced Repo Rate from 6.25% to 4.40%. RBI also cut CRR by 100 bps from 4% to 3% to provide liquidity. These measures also aimed to bring down yield of Government Securities so as to lower the borrowing cost of the Government. Sensex went up till February 2020. However, equity market corrected sharply in March 2020 taking clue from Global Majors following outbreak of Covid-19. Major global equity indices fell by more than 30%.

Foreign Exchange

The trade war between USA and China, dominated the markets for most part of the year with Asian currencies gradually weakening. Euro was haunted by weak Euro zone data, fragility

in German politics and dovish ECB while GBP movement was ruled mainly by the Brexit issue. Until recently, the USA economy continued to do well causing the Dollar Index to increase and the US Stock Indices touching all-time high. Uncertainties in the global markets caused gold prices to move up while Crude Oil price surged due to supply cuts by the OPEC and Geo Political tension between USA and Iran. In Q4 FY 2020, the rapid spread of Covid-19 caused major disruptions in the economies of almost every country. Disagreement between Saudi Arabia and Russia on cuts in crude supplies created volatility and the Brent Crude came down to US dollars 22 / barrel. The US dollar rose against a basket of currencies, as concerns about the economic fallout from Covid-19 increased demand for US dollars globally despite recent steps taken by world central banks aimed at alleviating market stress. The increase in number of Covid-19 cases caused Indian rupee to depreciate sharply to trade above ₹ 75 per USD.

RISK MANAGEMENT

Risk is an integral part of the banking business and the Bank's aim is to maintain portfolio quality by making appropriate risk/reward trade-offs. The Bank is exposed to credit, concentration, market, country exposure, liquidity, operational, fraud and reputation risk. The Board of Directors of the Bank has oversight of 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 taking into account geographic nuances. The Bank has implemented a rating model that takes into account both quantitative and qualitative factors and produces a rating that becomes one of the key inputs to credit decisions. In order to continuously improve the quality of the portfolio, the Credit Risk unit uses SAS analytics and has created several insightful models that helped in refining the product offering, choosing the target segment of customers, collections and recoveries. Key processes in credit underwriting were examined and duplication was reduced to improve speed of processing. Periodic portfolio reviews were conducted with the business units that helped improve portfolio quality.

Concentration Risk

Concentration risk is monitored and managed both at the customer level and at the aggregate level. The Bank, inter alia, continuously monitors portfolio concentrations by segment, ratings, borrower, group, sensitive sectors, unsecured exposures,

industry and geography. The Bank adopts a conservative approach within the regulatory prudential exposure norms.

Market Risk

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

Country Exposure Risk

The Bank has established specific country exposure limits which is capped at 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.

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

Your Bank strives to continuously improve process controls and customer satisfaction. The Bank has a separate cross functional committee – Management Committee for Approval of Processes

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(MCAP). New products and processes are reviewed by MCAP. The Committee is tasked with identifying operational and compliance risks in new products/processes and ensuring that steps are taken to mitigate the risks. Also, MCAP, on an on-going basis reviews existing processes for further improvement. In the FY 2020, 136 products/processes were reviewed by MCAP.

Reputational Risk

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

IMPLEMENTATION OF BASEL III GUIDELINES

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

INFORMATION TECHNOLOGY (IT)

The banking landscape is going through a paradigm shift. Customers are demanding high level of digitization, intuitive user interfaces and frictionless user journey. The current lock-down situation has further accelerated the need for digitization. Banks are embracing flexible emerging technologies and evolving business models to service customers' expectations.

Your Bank has taken many initiatives to keep pace with these rapid changes. It has created a detailed and dynamic "digitization" plan with adoption of Agile delivery which is being executed in a systematic manner. The intention is to provide a new user customer experience and to meet customer demands by taking advantage of the digital revolution. In FY 2020, the Bank's IT team and users were very busy launching a number of contemporary solutions that has the potential to generate new business, strengthen infrastructure and controls, provide superior service and enable scaling up of volumes.

Highlights of IT in FY 2020:-

- Mobile Banking launch with superior user experience and extended features for Retail Banking customers
- Launched DCB Zippi online fixed deposit (FD) scheme that allows any resident Indian to open an account from the comfort of home
- Finacle 10x upgrade initiated
- "Connected Banking" to help customers avail services like fund transfer, account statement on partner's platform in a safe and secure manner
- NIYO Merchant: DCB UPI facility on NIYO cards implemented
- DCB Remit new website with Intuitive User Experience and unique feature of seven currencies and remittance to over 20 countries.
- DCB Bank Income Tax E-filing service through DCB Bank's Internet Banking implemented.
- NRI Online AOF Platform (relaunched)
- DCB Bank Pool Account on Government e-Marketplace (GeM)
- Fraud Risk Management - Prepaid Card alerts and SWIFT Integration implemented
- DCB Bank VISA Access Control Server (ACS) secure mechanism for DCB Bank Visa Cards launched (enables customers to verify their identity and transact in a secure manner).
- RuPay Pay Secure for DCB Bank RuPay card holders (provides customer an enhanced security for online transactions)
- Lending Platform "Neo" upgraded to new version (Neo 2.0) with API enabled and enhanced features
- Locker Module for branches
- UPI 2.0 launched with One-time mandate functionality
- Aadhaar Data Vault implemented
- AML integration with SWIFT implemented
- Treasury System automation done. No manual intervention between dealing platforms (CALL, CROMS, TREPS) and Credence
- SWIFT Version upgraded from 7.2 to 7.4
- Identity and Access Management Solution implemented
- Workflow Automation in Sapphire (Call Center, Staff Payments, Asset Management, Interest rate related complaints)
- Legal Module in Collection implemented
- Learning Management Platform (LUMOS) launched on iOS
- Omni Docs API enabled on "SME Finflex" application
- Personal Loan Lead Generation Platform (for managing leads through Digital Marketing and Social Media campaigns)
- Data Exchange Module (DEM) for West and North Grid (Clearing House Interface)
- Software Asset Management Solution implemented

- SAS Viya Unified Insights Model Manager (MM) platform implemented
- Automation of NPA and Collateral Management implemented
- Software Defined WAN (SDWAN) solution implemented
- Call Center Application and Server Hardware refresh completed
- Database Encryption for core banking system implemented
- Database Access Monitoring (DAM) implemented
- eGInnovation monitoring tool for infrastructure and application performance monitoring implemented
- Near DR Infrastructure completed
- DMARC (Domain-based Message Authentication, Reporting and Conformance) implemented to prevent unauthorized usage of “dcbbank” domain
- Successfully hosted “INNOVATION CARNIVAL 2.0” at New Delhi in September 2019 and at Mumbai in February 2020
- Aadhaar eKYC middleware system implemented

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 which comprise of an Enterprise Data Lake and GPU servers. This has assisted businesses and functions in several “Use Cases” in the field of Machine Learning & Artificial intelligence (ML/AI) such as building predictive models like default behaviour scorecards, using techniques such as time-series forecasting & 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. The unit has deployed several new technologies to enhance its capabilities to support growing business needs.

OPERATIONS

The Bank's focus is on creating a “Centre of Excellence” at Operations by delivering delightful experience to customers. During the year, the focus of operations units has been to sharpen the execution through various process improvements / automation and enhancing the staff skills and providing a more positive work environment while keeping a tight vigil on costs and productivity. The Operations unit is firmly moving towards modernization and adoption of contemporary solutions while gearing up for scale and volume.

Highlights of Operations in FY 2020:

- Successfully migrated Clearing unit to DEM (Data Exchange Module) of NPCI for Northern and Western Grids.
- Improved efficiency in Currency Management Services Unit (provides cash logistics for branches and ATMs)
- Introduced e-CIT (enhanced risk management and controls). Also, regulatory guidelines with respect to cash vans have been implemented
- Stabilized Electronic Banking Operations (EBO) (processing of payments, settlements and reconciliations). This unit operates 24 X 7 including holidays
- Similarly, NEFT and RTGS payments have seen steady growth in volumes. The payments unit have tirelessly processed thousands of transactions without operational errors.
- Treasury Back Office providing steady operations through experienced resources
- IDAM (Identity and Access Management) policy, new system and revamped process implemented
- CMS Operations continues to support branches and customers for bulk payments and cheque collection products.

INTERNAL AUDIT (IA) AND VIGILANCE

IA function of the team comprises of professionals, experienced bankers and staff with specialisation in specific areas of banking. As a bank we have been continuously trying to have the right mix of people in the function to be an efficient supporter for Business Units. The IA function is monitored and overseen closely by the Audit Committee of the Board (ACB), which comprises of domain experts and professionals who on a periodic basis review the performance of IA and provide inputs and guidance in order to improve the functioning of IA. Our approach to induct new professionals and groom them, along with hiring ex-bankers with rich experience in various areas of Banking for insourcing concurrent audits and conduct certain specialised audits, has been giving satisfactory results. IA has an elaborate framework of risk assessment, audit planning and execution process. The Continuous Monitoring model which was implemented last year has been enhanced in FY 2020 into a full-fledged application. This will enable IA to conduct reviews on a continuous basis. This has the potential to identify controls gaps and process issues on an ongoing basis. The system of identifying root cause for IA findings has helped in analysing systemic control issues in the Bank.

In FY 2020, IA conducted 229 branch audits, 25 periodic audits, 7 compliance audits, 19 snap audits and 12 IT audits. In order to improve the effectiveness, the Bank has in-sourced most of the Concurrent Audits. IA continues to enhance the technical and

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soft skills of the audit team through various internal and external training programs.

The Vigilance unit has created process and systems to provide regulatory reporting in a timely manner. The unit has initiated Fraud Risk awareness training sessions at various locations in the Bank. The Fraud Risk Monitoring unit has implemented an internal fraud alert generation tool to identify suspected transactions. The unit has also reviewed various alerts and underlying parameters. Learnings have been incorporated to make the fraud system more robust. On an ongoing basis, the Vigilance unit provides inputs and recommendations to various systems and platforms for strengthening controls for fraud prevention.

COMPLIANCE AND RISK BASED SUPERVISION BY THE RBI

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

HUMAN RESOURCES (HR)

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

Highlights of HR in FY 2020: -

Talent Attraction & Engagement

- In order to support business growth, the HR unit strengthened the recruitment process which helped increase the Bank's headcount to 6,845 from 6,134 at the end of the previous year.
- Strengthened a unique employee referral scheme "LINK" that contributed 37% of total hiring while hiring through internal channels contributed 52%. This in turn helped

reduce costs, improve employee attrition and productivity.

- Filled up 355 positions using internal talent pool through the program "Own Your Future"
- Scaled up "The Top Recruit" program and campus engagement covering over 5,000 participants from 200 B-Schools in cities like Bengaluru, Delhi, Kolkata and Maharashtra
- Periodically communicated through "High Decibel" (an exciting in-house magazine) information about official and personal milestones of employees
- Conducted across India in every region "DCB Allympics" a mega sports event for employees
- Facilitated "EORO (Each One Reach One) Supervisor Survey" for "first time" supervisors. Feedback received was shared with People Forum and respective supervisors. Appropriate counselling also done of supervisors who had gaps in people management skills
- "DCB Spotlight" (regional recognition forum) held in 12 locations and 370 employees felicitated. The Bank clubbed Spotlight with Funkaar Beats, a regional talent contest for employees to showcase their talent in music and dance and the winners are then given a chance to perform in the signature mega national event "DCB Movers & Shakers"
- "Hour HR" (signature live radio show) enabled employees interact directly with the HR team and seniors
- Reached over 83,000 followers on LinkedIn.

Learning & Development

- Continued a strong culture of learning through the Individual Learning & Development Scorecard (ILDS) spanning the entire employee life cycle
- Conducted mandatory training programs inter alia Employee Induction, Prevention of Sexual Harassment, Business Continuity Planning & Disaster Recovery and Awareness on Information Security. The Bank has an online learning academy "LUMOS", which facilitates digital learning. 99% of employees (joined on or before December 31, 2019) completed at least one classroom / online program and 92% of employees used at least one digital module in LUMOS.
- Continued Bank's signature programs (used for building leadership pipeline) namely SPRINT, Grow with Us-Budding Branch Manager, Budding Branch Operations Manager, RISE and ASPIRE
- Partnered with Moody's Analytics and other accredited entities to certify employees in Audit, Credit, Compliance, Treasury Operations and Finance. More than 600 employees trained under such Capacity Development initiatives in the Bank.

- Strengthened training on Anti Money Laundering and Know Your Customer for new employees and provided refresher course on Prevention of Money Laundering Act for existing employees especially frontline
- “Mujhe Pata Nahin Tha” series launched using “comic strips” and capsule training on “Ethics” shared with employees emphasizing the importance of Code of Conduct
- Separate trainings conducted to reiterate “Gender Sensitisation”.
- Improved compliance to process and controls through “Project Prayas” and Project First Time Right” for branch staff
- Once again organized a unique “Lead Generation” sales centric training program that helped generate business leads. This program specifically targets low performers in order to improve productivity and reduce employee attrition
- Continued programs such as ESQ (service excellence), ABCD (supervisor capability) and CREW (promotes team work). These programs help strengthen the culture and ethos of the Bank.
- Conducted a two day “Knowfest” in Hyderabad where all business and functions displayed their achievements and capabilities in an exhibition stall format. The whole event had a festival look and feel. This was followed by intense “Master Class” sessions which helped to provide useful knowledge and information to the top team members.

Organisation Development & Talent Management

- Promoted 57 % of employees who participated in the Bank’s unique promotion process
- Job evaluation / sizing exercise (comparing different jobs based on knowledge, impact and accountability) completed for more than 900 roles
- Conducted annual S-Peak survey (designed to provide feedback on people management to supervisors) registering almost 100 % participation. Results of the survey (report card) shared with 814 supervisors and their business heads.
- Completed DCB Bank Internal ESQ survey (designed to measure internal customer satisfaction). Almost 100% of employees provided feedback on various units. The overall Bank score was 82%, an improvement over last year.

CUSTOMER SERVICE

Delighting customer in every interaction is the core aim of the Bank. Customer complaints and satisfaction levels are monitored by the Managing Director and Chief Executive Officer along with the Senior Management team on a regular basis. The Bank has constituted an independent Service Excellence team to analyse

customer complaints, identify root causes, make suggestions for process improvements and works with the various businesses and functions to continuously improve service levels. The Bank has a “Centralised Complaint Management” system and rigorous standards to ensure that customer queries and complaints are not missed out and are resolved in a timely manner. The Bank continues to make steady progress on the concept of Power of Three - Empathy, Speed and Quality (ESQ) initiative launched nine years ago. The Bank continuously works on the six pillars of Service Excellence – Voice of Customer, Service Recovery, Attrition Calling, Process Simplification, Service Culture and Measures and Metrics. The Service Excellence team regularly conducts review of progress on six pillars with key stakeholders, weekly calls with frontline staff to obtain feedback, surprise visits to various units, customer meetings, focus groups and “mystery shopping” to understand frontline service culture and competence. The progress on Service Excellence is monitored by the Customer Service Committee (CSC) of the Board.

MARKETING/BRAND AWARENESS

The Bank continuously undertakes numerous measures to create brand awareness and improve its brand presence and image. The Bank conducted low cost micro marketing activities throughout the year in the branch neighbourhood. As part of its culture to engage directly with customers and prospects in informal forums, the Bank conducted several customer meet events, golf tournaments, health camps, movie screenings, drawing competitions, mega musical programs and many such activities. In FY 2020, the Bank executed 10,000 odd micro marketing activities and events across its branch footprint.

- Throughout the year, the Bank conducted Above the Line campaigns (Print, Outdoor, Cinema and Digital) to promote Term Deposit products. This resulted in huge visibility, awareness and business volumes. The Bank also organized innovative branding campaigns like Tea Cup Branding, Newspaper Stickers and at Airports which also resulted in increase in customer walk-ins in the branches
- DCB Remit micro site – www.dcbremit.com went live and was promoted continuously on Social Media and digital channels. This is a unique and convenient remittance product especially for customers whose children are studying overseas.
- Throughout the year various theme based creative communication were posted on DCB Bank Facebook and Instagram page to engage with the increasing number of followers.

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 a quarterly 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:

<https://www.dccb.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.dccb.com/cms/showpage/page/for-shareholder>

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

During the course of CSR projects on tree plantation, watershed development, ground water development, recycling initiatives, brought to the fore the issue of energy disparity – of energy poor communities. To an extent this deficit can be solved with India's vast solar energy availability.

The Sun has been a source of wonder and energy from time immemorial. The Ministry of New & Non Renewable Energy, Govt. of India states that approximately, '5,000 trillion kWh per year energy is incident over India's land area with most parts receiving 4-7 kWh per sq. m per day'* (reference Ministry of New & Renewable Energy website <https://mnre.gov.in/> & <http://164.100.77.194/solar/current-status/>). This abundance needs to be harnessed and harvested for the benefit of energy poor or energy starved communities.

The Bank has taken steps to ramp up focus on solar energy. Power from solar photovoltaics is scalable and replicable at various locations in India. It provides the ability to generate power on a distributed basis and enables rapid capacity addition.

Staff Participation in Corporate Social Responsibility (CSR)

DCB Bank employees enthusiastically participated in Clean Up and Green Up (tree planting) activities. In FY 2020, 1,489 employees across India participated in CSR activities of the Bank availing the unique two days paid CSR leave per year. The Bank's CSR volunteer community has grown, almost double of the previous year. CSR activities which were conducted continued to focus on sustainability and bio diversity themes. Employee volunteers doubled up effort and participated in activities ranging from lake clean up, waste management, habitat restoration, clean up of public parks and coastal area, tree planting, creating awareness amongst people on water conservation and waste management.

The Bank introduced an honorarium concept to encourage DCB Social volunteers to commit their weekend off days and bank holidays on CSR projects and activities. Additionally, with the view to drive more volunteers, spread awareness about climate change and rope in families and friends of DCB Bank staff, the Bank now actively encourages friends and family to join the CSR activities. Every such CSR volunteer of the 'extended DCB Bank family' is given an honorarium for the day spent in a DCB Bank CSR activity on a holiday. The Bank has contributed 8,934 people-days for the projects executed by the staff.

CSR Project Highlights

In FY 2020 the Bank focussed on off-grid decentralised solar power use cases in line with the thrust on renewable energy. Quick set up time, simple maintenance procedure, abundant supply of fuel, ability to meet the basic electricity needs of remote villages and hamlets will change the lives of the communities in times to come. It is an opportunity to improve the standard of living and enable the use of time after sunset.

According to the Ministry of New and Renewable Energy (MNRE), 'Solar based energy is decentralised and have benefited people in Indian villages by meeting lighting and other energy needs in an environment friendly manner.' Clean power or power from sustainable sources is the UN agenda on Sustainable Development Goals (UN SDG).

Highlights of India's focus on solar power*

- World's largest renewable energy expansion programme 175 GW till 2022
- Renewable energy has a share of 23.39% in the total installed generation capacity in the country i.e. 368.98 GW (Upto 29th February 2020).
- Solar capacity increased in the last 5.5 years from around 2.6 GW to more than 34 GW

(*information source <https://mnre.gov.in/>)

The Bank promoted the use of off grid Home Lighting System (HLS) in and at a wildlife reserve in Tamil Nadu to assist the communities residing at those inaccessible locations. HLS provides light points, fan points and charging point for a device such as a cellphone. Basic upkeep of the equipment is the responsibility of a community group or individual beneficiaries. HLS has brought electricity into the homes of citizens, it keeps wild animals at bay to reduce incidents of human and animal conflict, enables children to study in the evening, and allows for people to practice their handicraft skills.. This solar-based solution is also applicable for solar pump set projects in Maharashtra and Bihar. The Bank is working with implementation partners in two states Bihar and Maharashtra to test the efficacy.

Water, bio diversity and trees are critical for our sustainable survival. Towards improving our environment, the Bank planted 1,10,610 trees during FY 2020. This was achieved with the help of DCB Bank employee volunteers and CSR implementation partners. Tree plantation was undertaken in parts of Madhya Pradesh, wildlife sanctuaries in Gujarat and plantation for migratory birds in Tamil Nadu and Punjab and major cities across the country. This will improve bio diversity, aid the absorption of water into the ground, prevents soil loss and absorb carbon dioxide. For communities abutting forest areas, trees also provide economic sustenance.

Tackling the water crisis is an urgent issue. The Bank successfully implemented projects with institutions in urban areas such as Rameshwaram, New Delhi, and Amritsar. The project at Rameshwaram for sewage water recycling was highlighted in social media and national print media. The media platforms serve to amplify the message of sustainable best practices and highlight the Bank's interest to participate in similar projects elsewhere in the country.

The Bank undertook a successful information and communication project for schools under the Govt. of National Capital Territory of Delhi. The Hindi edition, 'Gully gully barishh, gaon gaon bhagirath', was translated from the English version of the Water Book. Twelve inspiring stories from India on water conservation was presented to 750 school libraries in Delhi.

Your Bank received accolades and recognition for the CSR projects executed in partnership with communities. These projects focus on sustainability, biodiversity or climate change mitigation.

1) **Awarded by Bombay Chamber of Commerce and Industry, Mumbai**

Recognized for 'Sustainable Environmental Initiatives' for CSR projects.

2) **Asian Customer Engagement & Forum - ACEF HR & CSR Forum & Awards, Mumbai**

Recognized for Best Corporate & NGO Partnership for a CSR Project

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR):

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

Report on Corporate Social Responsibility (CSR) Activities during the FY 2020:

Sr. No.	Description	Particulars/Details
1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	<p>Outline:</p> <p>CSR Activities shall mean all the Corporate Social Responsibility activities / programs / initiatives of the Bank, either ongoing or new, dealing with the activities mentioned in thrust areas. The activities shall conform to those specified in Schedule VII to the Act (as amended from time to time) and as recommended by the CSR Committee and approved by the Board.</p> <p>The Bank's thrust area is also in keeping with the Government of India PM-KUSUM initiative for solar power.</p> <p>Thrust areas or activities ascribed to them are defined in the Policy, as amended by the Board, from time to time.</p>

Sr. No.	Description	Particulars/Details	Sr. No.	Description	Particulars/Details
		Projects/ Programmes to be undertaken: CSR Thrust Areas for DCB Bank Thrust areas shall mean and include any one or more of the following CSR activities: a) Conservation of water / water storage / water usage / protecting water bodies b) Waste Management c) Recycling d) Promote waste-to-energy e) Promote start-ups f) Preservation of historical and heritage sites with in situ focus on water conservation, waste management, recycling and, or waste-to-energy.			c. Waterless urinals which save precious groundwater water and reduce groundwater pollution d. Creation of butterfly parks and green zones to promote bio diversity and green buffers in urban area e. Sapling plantation in tribal areas, buffer zones of forests and rivers f. Bamboo sapling plantation Website link for DCB Bank CSR policy: https://www.dcbbank.com/pdfs/CSR_Policy_Approved_by_the_Board_on_17_01_2018_FINAL.pdf
		Project/s supported: DCB Bank's CSR projects were based in Anamalai in Tamil Nadu; Sitamarhi, Muzaffarpur in Bihar; Amritsar and Harike in Punjab; Aurangabad in Maharashtra; New Delhi; Guntur and Vijayawada in Andhra Pradesh; Bor, Karnala, Mumbai, Taloja and Umred in Maharashtra; Tapi in Gujarat and Chindwara in Madhya Pradesh; Hyderabad in Telengana; and other locations. DCB Bank CSR employee volunteers undertook various projects across locations across India, such as Ahmedabad, Bengaluru, Delhi, Chennai, Gurugram, Hyderabad, Mumbai & Pune, amongst other locations.	2.	The Composition of the CSR Committee.	The members of the CSR Committee are Mr. Nasser Munjee (Chairman), Ms. Rupa Devi Singh, Mr. S. Sridhar and Mr. Murali M. Natrajan.
		The Bank's CSR thrust areas projects for FY 2020 were: a. Ground water resource development in acutely water starved villages in arid and drought prone regions b. Renewable energy, solar power home lighting systems for tribal hamlets & solar powered groundwater pump sets	3.	Average net profit of the company for last three financial years (after adjusting for brought forward accumulated losses)	₹ 398.85 crore
			4.	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)	₹ 7.98 crore
			5.	Details of CSR spent during the financial year: a) Total amount spent for the financial year; b) Manner in which the amount spent during the financial year is detailed on the following page c) Manner in which the amount spent during the financial year is detailed on the following page	₹ 7.77 crore ₹ 0.21 crore - Please refer to the table on the following page -
					Manner in which the amount spent during the Financial Year 2019-20.

DCB BANK CSR SPEND FY 2020

Sl. No	THEME	ACTIVITY	REGION	AMOUNT ₹*	IMPLEMENTATION BY	DIRECT/ INDIRECT SPEND
1	Renewable Energy – Sustainability	Home Lighting Systems	Anamalai Tiger Reserve Tamil Nadu	18,500,000	World Wide Fund for Nature India	Direct from Bank
2	Renewable Energy – Sustainability	Groundwater pump sets	Bor & Umred Tiger Reserves, Maharashtra	17,500,000	World Wide Fund for Nature India	Direct from Bank
3	Protection of sources of water & livelihood	Groundwater development and agri best practices	Aurangabad, Maharashtra	8,740,853	S M Sehgal Foundation	S M Sehgal Foundation
4	Carbon Sequestration - Biodiversity & Sustainability	50,000 tree saplings plantation, protection of forest zones, tribal livelihood enhancement	5 locations	8,500,000	Pangea Eco Net - Growtrees.com	Pangea Eco Net - Growtrees.com
5	Carbon Sequestration - Biodiversity & Sustainability	Tree plantation Miyawaki method	12,000 trees in Mumbai city region BMC Bhandup pumping station & Madh island, Mumbai, Maharashtra	4,320,000	Green Yatra Trust	Green Yatra Trust
6	Protection of sources of water & livelihood	Water schools for children & training of Beas mittter, water flow studies	Beas Conservation Reserve, Harike, Punjab	3,172,500	World Wide Fund for Nature India	World Wide Fund for Nature India
7	Sustainability focused activities and projects undertaken by DCB Social Volunteers	Extensive tree plantation of indigenous species 7,000 planted by DCB Social Volunteers. Clean up & waste collection at beaches, ponds, lakes and cities. Environmental themed activities with students in rural schools. Explainer boards at project locations, manure, implements, seeds, saplings, long term protection for saplings. Logistics of resources and materials to project locations, CSR activity sites.	1,489 DCB Social employee volunteer participated	2,792,935	Various	Direct & indirect spend
8	Protection of water sources, enhance bio diversity	Afforestation & watershed development	Taloja hills, Maharashtra	2,612,800	iNaturewatch Foundation	iNaturewatch Foundation
9	Protection of water sources	Ensure availability and sustainable management of water and sanitation for communities	Banki, Cuttack district, Odisha	2,593,167	Concern India Foundation	Concern India Foundation
10	Protect biodiversity & enhance rural livelihood opportunity	Promote bee keeping of indigenous bee species <i>Apis Cerana</i> . Preserve biodiversity and natural pollinator species Training and skill enhancement of village dwellers in honey gathering	Tapi district, Gujarat & Chindwara district, Madhya Pradesh	1,536,067	Under The Mango Tree Society	Under The Mango Tree Society

SI. No	THEME	ACTIVITY	REGION	AMOUNT ₹*	IMPLEMENTATION BY	DIRECT/ INDIRECT SPEND
11	Audio visuals and short explainer films about renewable energy, protecting forests and biodiversity, watershed development	Information, Communication & Education (ICE) - Sustainability	Solar street lights, Karjat, Maharashtra; Watershed development & rain water harvesting, Malapadu, Andhra Pradesh; Value of rainforests, Ratnagiri, Maharashtra; Cleaning up localities, Mira Road, Mumbai, Maharashtra	1,414,838	Adfactors PR, Eventide, Eleventh Hermit.	Adfactors PR, Eventide, Eleventh Hermit, others
12	Pandemic Relief	Covid-19 Relief Fund	Across India	1,000,000	PM CARES	Direct from Bank
13	Carbon Sequestration - Biodiversity & Sustainability	Tree Plantation	Tree plantation of indigenous species 24 cities across India	975,000	Sankalp Taru	Sankalp Taru
14	Protection of water sources, enhance bio diversity	Pond rejuvenation with the local community as stakeholders	Telangana	933,462	iNaturewatch Foundation	iNaturewatch Foundation
15	Protection of sources of water	100% Organic based sewage treatment system	Lootel Café, Rameshwaram, Tamil Nadu. Organic, waste water recycling upto 3,000 litres daily	570,000	Ekam Ecosolutions	Ekam Ecosolutions
16	Recycling & Waste Management	Repurposing waste plastic. Plastic as a resource the cyclical economy.	Promoting zero plastic footprint annually. Plan for reusable plastic based moulded school furniture and school use items.	548,460	Plastic Recycling	Direct from Bank & All India Plastic Manufacturers Association (AIPMA)
17	Protection of sources of water	Waterless urinals Zerodor	103 waterless urinals, between Amritsar & a major installation for New Delhi. 1.5 litres of water saved per urinal	516,480	Ekam Ecosolutions	Ekam Ecosolutions
18	Carbon Sequestration - Biodiversity & Sustainability	Tree plantation and livelihood	Bamboo plantatation for natural fencing. Bamboo to accrue for utilisation in bamboo based craft, carpentry and livelihood earning opportunity for tribals. Maharashtra	436,700	Yusuf Meherally Centre	Yusuf Meherally Centre
19	Carbon Sequestration - Biodiversity & Sustainability	Tree Plantation	Regeneratree-2 tree plantation programme Bengaluru	252,000	Environmental Synergies in Development (ENSYDE)	Environmental Synergies in Development (ENSYDE)
20	Provision for safe water	Decontamination of water for community clinic	Sankrail, Howrah, West Bengal	250,000	Concern India Foundation	Concern India Foundation

Sl. No	THEME	ACTIVITY	REGION	AMOUNT ₹*	IMPLEMENTATION BY	DIRECT/ INDIRECT SPEND
21	Protection of water sources and biodiversity	Information, Communication & Education (ICE) - Sustainability	'Gully gully barishh, gaon gaon bhagirath', Water Book in Hindi. 750 books for Government of Delhi NCT middle & senior school's libraries	210,000	CIVIL SOCIETY - Content Services & Publishers Pvt. Ltd.	Direct from Bank
22	Carbon Sequestration - Biodiversity & Sustainability	Tree Plantation and cleanup		200,000	iNaturewatch Foundation	iNaturewatch Foundation
23	Protection of water sources and biodiversity. Climate change mitigation.	Sustainability focused activities and projects	1,489 DCB Social employee volunteers participated	75,750	DCB Social Volunteers	Direct from Bank
24	Climate change mitigation	Information, Communication & Awareness	Mumbai, New Delhi, Bengaluru	22,746	Awards, Conferences, Conventions	Direct from Bank

6. Unspent CSR Funds:

- The Bank had contributed ₹ 1,000,000 to CM of Maharashtra Covid-19 Relief Fund. However, the Ministry of Corporate Affairs (MCA) clarified in April 2020 that contribution made to PM Cares Fund only, qualifies as amount spent for CSR.
- Across cities in March 2020 planned DCB Social employee volunteer activities had to be curtailed or cancelled on mounting fears of Covid-19, thus the planned CSR expenditure was not possible with announcement of the lockdown in the last week of March 2020

7. Responsibility Statement:

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

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

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

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

- Majority of the Directors as required under BR Act shall have specialized knowledge/experience in the areas like Agriculture, Banking, SSI, Legal, Risk Management, Accountancy, Finance etc.
- All Directors shall abide by the Code of Conduct.
- Directors shall not attract any disqualification and shall be persons of sound integrity and honesty, apart from knowledge, experience, etc. in the irrespective fields.

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

- MD & CEO, Company Secretary and Chief Financial Officer shall be the Key Managerial Personnel (KMPs) of the Bank.
- Except for the Chairman and the MD & CEO, no other Directors are paid remuneration, but are paid only sitting fees. The Chairman and the MD & CEO are paid remuneration as approved by the RBI and other applicable authorities, but are not paid sitting fees.

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- Independent Directors are not entitled for ESOPs
- Remuneration of all employees including Senior Management and KMPs are decided as per the Compensation Policy of the Bank.

PARTICULARS OF EMPLOYEES

The Bank had 6,845 employees as on March 31, 2020. 10 employees employed throughout the year were in receipt of aggregate remuneration of not less than ₹ 1.02 crore per annum and no employee was employed for a part of the year. The details of top 10 employees in terms of remuneration drawn pursuant to provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 (2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are appended separately (Annexure-I) and form part of this Report. The Report and Accounts are being sent to the Shareholders excluding these particulars and any shareholder interested in obtaining the said details may write to the Company Secretary at the Registered Office of the Bank

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, 2020 and such other details as prescribed are as given below:

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

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

Name	Ratio
Mr. Nasser Munjee—(Chairman):	0%
Mr. Murali M Natrajan – (Managing Director & CEO):	5%
Mr. Bharat Laxmidas Sampat – (Chief Financial Officer):	15%
Ms. Rubi Chaturvedi – Company Secretary:	7%

	Name	Ratio
c)	The percentage increase in the median remuneration of employees in the financial year:	4%
d)	The number of permanent employees on the rolls of Bank:	6,792

- e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year ended March 31, 2020 and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration: Average increase in remuneration is 8 % for Employees other than Managerial Personnel & 7 % for Managerial Personnel (KMP and Senior Management). There are no exceptional circumstances for increase in the managerial remuneration.
- f) If remuneration is as per the remuneration policy of the Bank: Yes

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION 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 FY2019-20. This Policy, inter alia, provides a direct access to a Whistle Blower to the Chief Compliance officer on his dedicated e-mail ccompliance@dcbbank.com and Chairman of the Audit Committee of the Board (ACB) on his dedicated email-ID cacb@dcbbank.com. The Whistle Blower Policy covering all employees and Directors is hosted on the Bank's website at "[http:// www.dcbbank.com/cms/showpage/page/whistle-blower-policy](http://www.dcbbank.com/cms/showpage/page/whistle-blower-policy)".

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

THE DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Bank has designed and implemented a process driven framework for Internal Financial Controls ("IFC") within the meaning of the explanation to Section 134 (5)(e) of the Companies Act,

2013. For the year ended March 31, 2020, 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, 2020. 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, 2020 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, 2020; 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, 2020.

EXTRACT OF THE ANNUAL RETURN

An extract of the Annual Return as of March 31, 2020 pursuant to the sub-section (3) of Section 92 of the Companies Act, 2013 read with Rule 12 (1) of the Companies (Management and

Administration) Rules, 2014 and forming part of the report is placed on the website of the Bank as per provisions of Section 134(3)(a) and is available at the following link:

<https://www.dcbbank.com/cms/showpage/page/about-us-corporate-governance>

CORPORATE GOVERNANCE

The Bank has been continuously observing the best corporate governance practices and benchmarks itself against each such practice.

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

DIRECTORS

During FY 2020, Mr. Altaf Jiwani a Non-Executive Independent Director and Mr. Amin Manekia Non-Executive Non-Independent Director were ceased to be a Directors of the Bank on January 11, 2020 after completing the term of eight consecutive years [the maximum permissible] as per the provisions of the Banking Regulation Act, 1949. Mr. Imran Contractor, an Independent Director of the Bank, resigned from the Board of the Bank on January 31, 2020 due to his ill health. The Board of Directors places on record its deep sense of appreciation of the valuable contributions made by Mr. Altaf Jiwani, Mr. Amin Manekia and Mr. Imran Contractor during their long association as Directors of the Bank.

Mr. Jamal Pradhan (DIN-00308504) was liable to retire by rotation and being eligible has offered him for re-appointment. The first term of five years of Ms. Rupa Devi Singh (DIN- 02191943), an Independent Director got expired on January 21, 2020 and she was eligible for re-appointment as Independent Directors for one more term of upto five years or such period that her total tenure will not exceed the period of eight years from their original appointments as permitted under the Banking Regulations Act 1949. As she continues to meet criteria of Independence and had consented for her re-appointment as Independent Directors, the Board, considering her past performance, had approved her re-appointment for the period from January 22, 2020 to January 21, 2023 as Independent Directors of the Bank for the second term subject to approval of the Shareholders in the forthcoming 25th Annual General Meeting.

Mr. Aryn Jassani (DIN-02945319), Mr. Shabbir Merchant (DIN-07438419) and Mr. Somasundaram PR (DIN-00356363) were appointed as Additional Independent Directors of the Bank on January 25, 2020 where as Mr. Rafiq Somani (DIN-01351871) was appointed as an Additional Independent Director of the Bank on March 9, 2020.

DCB Bank Limited

A brief resume relating to the persons who are to be re-appointed/appointed as Directors is furnished in the notice of the 25th AGM as well as in the report on Corporate Governance. Based on the Disclosures provided by them, none of the above mentioned persons is disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

In the opinion of the Board of Directors, all the above mentioned four Additional Independent Directors 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 Key Managerial Personnel during the year ended March 31, 2020

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

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

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

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

https://www.dccb.com/pdfs/Familiarisation-Programme-for-Independent-Directors_31-03-2020.pdf

STATUTORY AUDITORS

M/s. Deloitte, Haskins & Sells, Chartered Accountants (Registration No. 117365W) were appointed as Statutory Auditors at the 21st Annual General Meeting, have completed their consecutive term of four years. Section 139 of the Companies Act, 2013 and the Rules made there under provide that a company can appoint a firm as auditor for maximum two terms

of five consecutive years. In other words, a company can make appointment of auditor for five years at a time. However, the Bank is also governed by the provisions of the Banking Regulation Act, 1949 and the circulars/ notification/guidelines issued by the Reserve Bank of India (RBI) from time to time. As per the extant provisions, RBI gives permission for appointment of auditor on year-to-year basis. Further, as per RBI's directive, it is mandatory to rotate the Auditor after completion of four years. Since M/s. Deloitte, Haskins & Sells have already completed their term of four years, appointment of M/s S R Batliboi & Associates LLP, Chartered Accountants (Registration No. 101049W/E300004) as the Statutory Auditors of the Bank has been approved by RBI vide letter Ref DOS. ARG. No.AS-10/08.37.005/2019-20 dated April 24, 2020 for the year 2020-21 for their first year, and their appointment is recommended by the Board for approval of Shareholders at the ensuing Annual General Meeting for a period of up to four financial years i.e. till the 29th AGM

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 2020 and their report of May 21, 2020 is attached separately to this report.

ACKNOWLEDGEMENTS

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

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

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

On behalf of the Board of Directors

Place: Mumbai
May 23, 2020

Nasser Munjee
Chairman

Annexure-II to Directors' Report

[Details of the Employee Stock Option Scheme (ESOS) as of March 31, 2020 pursuant to the requirements under Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014]

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

The following details, have been disclosed on the Bank's website at:

<http://www.dcbbank.com/cms/showpage/page/disclosures>

- 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.
- 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:

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

Description	Sub- Plans I (MANCO)	Sub-Plan II (Non-MANCO)
(a) Date of Shareholders' approval	December 15, 2006	December 15, 2006
(b) Total number of options approved under ESOS	4% of the Issued Capital of the Bank on an ongoing basis.	3% of the Issued Capital of the Bank on an ongoing basis.
(c) Vesting requirements	30%,30%,20% and 20% at end of 2nd, 3rd, 4th and 5th year respectively from the date of grant subject to the conditions of vesting for death, permanent disability or retirement of an employee.	30%,30%,20% and 20% at end of 2nd, 3rd, 4th and 5th year respectively from the date of grant subject to the conditions of vesting for death, permanent disability or retirement of an employee.
(d) Exercise price or pricing formula	The Exercise price of the Option shall be at a price related to the Market Price as decided by the Board/ Nomination Committee.	The Exercise price of the Option shall be at a price related to the Market Price as decided by the Board/ Nomination Committee.
(e) Maximum term of options granted	Vesting would be within 5 years from the date of grant and shall be exercised within 8 years from the date of vesting subject to conditions of vesting and exercise for death, permanent disability or retirement of an employee.	Vesting would be within 5 years from the date of grant and shall be exercised within 8 years from the date of vesting subject to conditions of vesting and exercise for death, permanent disability or retirement of an employee
(f) Source of shares (primary, secondary or combination)	Primary	Primary
(g) Variation in terms of options	No variation in terms of option during the year 2019-20	No variation in terms of option during the year 2019-20

- Method used to account for ESOS - Intrinsic value.
- 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 ₹ 0.71 crore. Consequently profit after tax would have been lower by that extent. The basic EPS of the Bank would have been ₹10.88 per share and the Diluted EPS would have been ₹10.72 per share.

(iv) Option movement during the year:

Particulars	Details
Number of options outstanding at the beginning of the period	7,780,505
Number of options granted during the year	NIL
Number of options forfeited / lapsed during the year	114,620
Number of options vested during the year	1,194,880
Number of options exercised during the year	868,515
Number of shares arising as a result of exercise of options	868,515
Money realized by exercise of options (₹) { if scheme is implemented directly by the Bank }	59,512,234/-
Loan repaid by the Trust during the year from exercise price received	Not Applicable
Number of options outstanding at the end of the year	6,797,370
Number of options exercisable at the end of the year	5,728,470

(v) The Weighted-average exercise prices and weighted-average fair values of the Options granted during the year : **Not Applicable**

(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	No Options were granted during the year- Not Applicable.
(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: (No Options were granted during the year)

(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- N.A (ii) weighted-average exercise price- N.A (iii) expected volatility- N.A (iv) expected option life- N.A (v) expected dividends- NIL (vi) risk-free interest rate- N.A
(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, 2020.

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

PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

BOARD OF DIRECTORS

The Bank, as on date of this Report, has a Non-Executive (Part-time) Chairman, a Managing Director & Chief Executive Officer (MD & CEO), and Eleven (11) other Directors on its Board. Except for the Chairman Mr. Nasser Munjee, Directors Mr. Shaffiq Dharamshi, Mr. Jamal Pradhan, Mr. Iqbal Khan and the MD & CEO Mr. Murali M. Natrajan, who are 'Non-Independent' Directors, all the other 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 more than 60.00% of its Directors in the 'Independent' category which also includes a 'Woman Director'. The day-to-day management of the Bank is entrusted to the senior managerial personnel under the leadership of the MD & CEO who operates under the superintendence, direction and control of the Board. The Board reviews and approves strategy and oversees the actions and performance of the management periodically for enhancing the stakeholders' value.

All the Directors of the Bank and their relatives together hold total 2,114,424 Equity Shares of the Bank (0.68 % of Capital) i.e. less than 2% of the Equity Share Shares of the Bank as on March 31, 2020.

COMPOSITION OF THE BOARD OF DIRECTORS AS ON MARCH 31, 2020

Mr. Nasser Munjee, a Non-Executive Director since June 2005 and the non-executive Part-time Chairman of the Bank since August 2005, is also the Chairman of the Executive Committee,

the Capital Raising Committee and the Corporate Social Responsibility Committee of the Board. Mr. Munjee began his career in 1977 as one of the first employees of HDFC, India's first housing finance company, where for over two decades, he rose to be an Executive Director on its board with wide responsibilities. Then in 1997, upon the request of the Finance Minister of India to set up an infrastructure finance company, Mr. Munjee was instrumental in establishing Infrastructure Development Finance Company Limited ("IDFC"). Mr. Munjee is presently a director on the boards of other 6 public companies in India, viz. Cummins India Limited, ABB India Limited, Ambuja Cements Limited, HDFC Limited, The Indian Hotels Company Limited and Tata Motor Finance Limited (Chairman). He is also the Chairman of three other Aga Khan Development Network (AKDN) institutions in India. He has served as the President of the Bombay Chamber of Commerce and Industry and on several government task forces on housing and urban development. Mr. Munjee has a Masters degree from the London School of Economics, UK and was earlier educated at the Leys School in Cambridge.

Mr. Munjee holds 4,401 Equity Shares in the Bank as on March 31, 2020.

Mr. Aryn Jassani, an Independent Director of the Bank, is a Chartered Accountant with more than 25 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. Aryn Jassani holds 100 Equity Shares in the Bank as on March 31, 2020.

Mr. Ashok Barat, an Independent Director, is a Fellow Member of the Institute of Chartered Accountants of India and a Fellow Member of the Institute of Company Secretaries of India. He 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. Currently, he is the President of the Council of EU Chambers of Commerce in India.

Mr. Ashok Barat is a Past President of the Bombay Chamber of Commerce and Industry and 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, 2020.

Mr. C. Narasimhan, an Independent Director of the Bank since October 2012, was previously with the State Bank of India (SBI). He has around 41 years of rich banking experience in corporate treasury, corporate strategy, private equity, new business conceptualisation and rollout, investments (stocks, mutual funds and fixed income securities), credit appraisal and administration, branch management, forex operations, IT operations and client relationship management. He has been involved in the conceptualisation and implementation of several new businesses, including general insurance, debit cards, merchant acquiring, custodial services, mobile banking, payment systems group, private equity and venture capital funds of the SBI Group. He has obtained B.Sc. degree from University of Kerala and MBA from University of Madras.

Mr. Narasimhan does not hold any Equity Shares in the Bank as on March 31, 2020.

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, 2020.

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

Mr. Pradhan holds 4,723 Equity Shares in the Bank as on March 31, 2020.

Mr. Rafiq Ramzanali Somani, an Independent Director of the Bank, is B.E in Computer Science with 30 years of experience in Information and Technology field. He is a Master in Marketing Management. Currently he is the Area Vice President at ANSYS Inc.

Mr. Rafiq Ramzanali Somani holds 1,238 Equity Shares in the Bank as on March 31, 2020.

Ms. Rupa Devi Singh, an Independent Director of the Bank since January, 2015, was the founder MD & CEO of Power

Exchange India Ltd (PXIL), a nation-wide 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, 2020.

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

Mr. Sridhar does not hold any Equity Shares in the Bank as on March 31, 2020.

Mr. Shabbir Merchant, an Independent Director of the Bank, holds a Masters in Personnel Management with more than 29 years of experience. He is the founder of Valulead Consulting, a boutique consulting firm. His firm partners with clients in Asia 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, 2020.

Mr. Shaffiq Dharamshi, a Non-Executive Director of the Bank since 13th January, 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, 2020.

Mr. Somasundaram PR, an Independent Director of the Bank, is a Chartered Accountant with more than 30 years' experience across various Unilever Group companies in India and abroad and Tata Consultancy Services among other companies. Currently he is the Managing Director of World Gold Council in India.

Mr. Somasundaram PR does not hold any Equity Shares in the Bank as on March 31, 2020.

Mr. Murali M. Natrajan, FCA, Managing Director & Chief Executive Officer of the Bank since April, 2009, has 36 years global experience in financial services. This includes Branch Banking, Mortgages, Credit Cards, Personal Loans, Wealth Management, SME, MSME, Corporate Banking, Agri, Operations, Technology, Credit Risk, Re-engineering, Finance, Marketing and Product Management. He has had successful international stints in Singapore, Hong Kong, South Korea and Indonesia.

Prior to joining the Bank, Mr. Natrajan worked as Global Head of SME Banking, Standard Chartered Bank and was reporting to the CEO Global Consumer Banking. He was managing 27 countries and in collaboration with country teams was, inter alia, responsible for strategy, product creation, franchise development and portfolio quality. From November, 2004 to June, 2008, he was the Head of Consumer Banking (including SME Banking), India & Nepal, Standard Chartered Bank. He was responsible for Strategy, Business, Credit, Finance, Human Resources, Sales, Service, Operations, Distribution, Marketing, Business Analytics and Projects. In Standard Chartered Bank, he was a member of Global Executive Forum.

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

Mr. Murali M. Natrajan holds 2,100,000 Equity Shares in the Bank as on March 31, 2020.

OTHER LISTED ENTITIES IN WHICH THE BANK'S DIRECTORS ARE DIRECTORS AND CATEGORY OF THEIR DIRECTORSHIP AS ON MARCH 31, 2020

Sr. No.	Name of the Director	Other Listed Entity in which he/she is a Director	Category of Directorship
1	Mr. Nasser Munjee	1. ABB India Limited	Independent Director
		2. Ambuja Cements Limited	Independent Director
		3. Cummins India Limited	Independent Director
		4. HDFC Limited	Independent Director
		5. The Indian Hotels Company Limited	Independent Director
		6. Tata Motors Finance Limited	Non-Independent Director & Chairman
2	Mr. Murali M. Natrajan	NIL	N.A.
3	Mr. Amyn Jassani	NIL	N.A.

Sr. No.	Name of the Director	Other Listed Entity in which he/she is a Director	Category of Directorship
4	Mr. Ashok Barat	1. Cholamandalam Investment and Finance Company Limited	Independent Director
		2. Cholamandalam Financial Holdings limited	Independent Director
		3. Bata India Limited	Independent Director
		4. Birlasoft Limited	Independent Director
5	Mr. C. Narasimhan	NIL	N.A.
6	Mr. Iqbal Ishak Khan	NIL	N.A.
7	Mr. Jamal Pradhan	NIL	N.A.
8	Mr. Rafiq Somani	NIL	N.A.
9	Ms. Rupa Devi Singh	JSW Energy Limited	Independent Director
10	Mr. Srinivasan Sridhar	1. Strides Pharma Science Limited	Independent Director
		2. Jubilant Life Sciences Limited	Independent Director
		3. Shriram Transport Finance Co. Limited	Independent Director
11	Mr. Shabbir Merchant	NIL	N.A.
12	Mr. Shaffiq Dharmashi	NIL	N.A.
13	Mr. Somasundaram PR	NIL	N.A.

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

The skill or competencies for the members of the Board of the Banking companies are provided in Section 10 A of the Banking Regulation Act, 1949. Accordingly, 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
Accountancy & Audit	Mr. Nasser Munjee
	Mr. Ashok Barat
	Mr. Murali M. Natrajan
	Mr. Somasundaram PR
	Mr. Aryn Jassani
Agriculture and rural economy	Mr. C. Narasimhan
	Ms. Rupa Devi Singh
Banking	Mr. Nasser Munjee
	Mr. Murali M. Natrajan
	Mr. C. Narasimhan
	Ms. Rupa Devi Singh
	Mr. S. Sridhar
Co-operation	Mr. Nasser Munjee
Economics	Mr. Nasser Munjee
	Mr. Murali M. Natrajan

Identified Skill	Name of Director(s) having identified skill
Finance	Mr. Nasser Munjee
	Mr. Murali M. Natrajan
	Mr. C. Narasimhan
	Mr. Ashok Barat
	Ms. Rupa Devi Singh
	Mr. S. Sridhar
	Mr. Aryn Jassani
	Mr. Somasundaram PR
Law	Mr. Iqbal Ishak Khan
	Mr. Murali M. Natrajan
Small-scale industry	Mr. Jamal Pradhan
	Mr. C. Narasimhan
	Ms. Rupa Devi Singh
	Mr. S. Sridhar
Information Technology	Mr. C. Narasimhan
	Mr. Murali M. Natrajan
Risk Management	Mr. Rafiq Somani
	Mr. Shaffiq Dharamshi
	Mr. Aryn Jassani
Human Resource Development	Mr. Murali M. Natrajan
	Mr. Shabbir Merchant

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

Composition of Board of Directors as on March 31, 2020

Sr. No.	Name of Director	Executive / Non-Executive Director	Independent / Non-Independent Director
	Chairman (Part-time)		
1	Mr. Nasser Munjee	Non-Executive Director	Non-Independent Director
	Managing Director		
2	Mr. Murali M. Natrajan	Executive Director	Non-Independent Director
3	Mr. Aryn Jassani	Non-Executive Director	Independent Director
4	Mr. Ashok Barat	Non-Executive Director	Independent Director
5	Mr. Chakrapany Narasimhan	Non-Executive Director	Independent Director
6	Mr. Iqbal Ishak Khan	Non-Executive Director	Non-Independent Director
7	Mr. Jamal Pradhan	Non-Executive Director	Non-Independent Director
8	Mr. Rafiq Somani	Non-Executive Director	Independent Director
9	Ms. Rupa Devi Singh	Non-Executive Director	Independent Director
10	Mr. S. Sridhar	Non-Executive Director	Independent Director
11	Mr. Shabbir Merchant	Non-Executive Director	Independent Director
12	Mr. Shaffiq Dharamshi	Non-Executive Director	Non-Independent Director
13	Mr. Somasundaram PR	Non-Executive Director	Independent Director

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. Altaf Jiwani Non-Executive Independent Director and Mr. Amin Manekia, Non-Executive Non-Independent Director have ceased to be a Directors of the Bank on January 11, 2020 after completing the term of eight consecutive years [the maximum permissible] as per the provisions of the Banking Regulation Act, 1949. Mr. Imran Contractor, an Independent Director of the Bank, has ceased to be a Director of the Bank on January 31, 2020 due to his resignation on account of his ill health.

During the year ended March 31, 2020, Eight (8) Board Meetings were held on April 03, 2019, April 18, 2019, June 01, 2019, June 25, 2019, July 16, 2019, August 09, 2019, October 19, 2019 and January 25, 2020. Details of attendance at the Bank's Board Meetings, Directorship, Membership and Chairmanship in other companies for each Director of the Bank are as follows:

Name of Director	Attendance at the Bank's Board Meetings	Directorship of other Indian public limited Companies	Directorship of other Companies	Membership of other Companies' Committees #	Chairmanship of other Companies' Committees#
Mr. Nasser Munjee	7	6	7	2	2
Mr. Altaf Jiwani*	6	-	-	-	-
Mr. Amin Manekia*	7	-	-	-	-
Mr. Aryn Jassani***	0	-	-	-	-
Mr. Ashok Barat	8	4	4	3	3
Mr. C. Narasimhan	7	-	-	-	-
Mr. Imran Contractor**	8	-	-	-	-
Mr. Iqbal Khan	5	-	-	-	-
Mr. Jamal Pradhan	7	-	-	-	-
Mr. Rafiq Somani****	0	-	-	-	-
Ms. Rupa Devi Singh	7	1	5	-	-
Mr. S. Sridhar	8	4	8	-	5
Mr. Shabbir Merchant***	0	-	-	-	-
Mr. Shaffiq Dharamshi	5	-	6	-	-
Mr. Somasundaram PR ***	0	-	5	-	-
Mr. Murali M. Natrajan	8	-	-	-	-

* Retired/Ceased to be Director of Bank w.e.f. January 11, 2020

** Resigned from the Board w.e.f. January 31, 2020

*** Appointed on the Board w.e.f. January 25, 2020

**** Appointed on the Board w.e.f. March 09, 2020

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

During the year, as per the requirement, a meeting of Independent Directors was also held on March 24, 2020 and the same was attended by all the Independent Directors through Video conferencing.

All Directors then on the Board of the Bank, except Mr. Iqbal Khan, attended the last Annual General Meeting held on June 01, 2019.

COMPOSITION OF COMMITTEES OF DIRECTORS AND THEIR ATTENDANCE AT THE MEETINGS AS ON MARCH 31, 2020

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

AUDIT COMMITTEE OF BOARD (ACB)

Mr. Ashok Barat chairs the Audit Committee of Board (ACB) of the Bank. The other members of ACB are Mr. Aryn Jassani (w.e.f. January 25, 2020), Mr. Somasundaram PR (w.e.f. January 25, 2020) and Mr. Shaffiq Dharamshi. Out of Four (4), Three (3) members are Independent Directors (IDs) except Mr. Shaffiq Dharamshi as against the requirement of 2/3rd IDs under the Listing Regulations. The Committee was reconstituted on January 25, 2020 adding Mr. Aryn Jassani and Mr. Somasundaram PR as members of the ACB. Mr. Altaf Jiwani ceased to be member of Board and ACB w.e.f. January 11, 2020, after completing the term of eight consecutive years [the maximum permissible] as per the provisions of the Banking Regulation Act, 1949 and Mr. Imran Contractor ceased to be member of the Board and ACB w.e.f. January 31, 2020 on account of his resignation due to ill health. The Company Secretary acts as the Secretary to ACB. The terms of reference of the ACB are in accordance with Section 177 of the Companies Act, 2013, terms prescribed by the RBI and SEBI Listing Regulations, inter-alia, include the following:

1. Oversight of the Bank's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board the appointment, re-appointment and, if required, the replacement or removal

of the statutory auditors and the fixation of audit fees, and confirm their independence.

3. Approval of payment to statutory auditors for any other services rendered, if authorised by the Board.
4. Review with the management, the quarterly financial statements before submission to the Board for approval and secure the Certificate from the CFO in terms of the requirements under the Listing Regulations.
5. Evaluate internal financial controls and risk management systems.
6. Review with the management, performance of statutory and internal auditors 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 eight (8) occasions.

EXECUTIVE COMMITTEE OF BOARD (ECB)

The Executive Committee of Board (ECB) comprises of Mr. Nasser Munjee (Chairman), Mr. Iqbal Khan and Ms. Rupa Devi Singh (w.e.f. January 25, 2020). The ECB, inter-alia, considers matters relating to properties, insurance, business performance and Profit & Loss Account etc. The Committee was reconstituted on January 25, 2020 adding Ms. Rupa Devi Singh as a member of the ECB. Mr. Altaf Jiwani ceased to be member of Board and ECB w.e.f. January 11, 2020, after completing the term of eight consecutive years [the maximum permissible] as per the provisions of the Banking Regulation Act, 1949 and Mr. Imran Contractor ceased to be member of the Board and ECB w.e.f. January 31, 2020 on account of his resignation due to ill health.

During the year, the ECB Committee had met once.

CREDIT COMMITTEE OF BOARD (CCB)

The Credit Committee of Board (CCB) comprises of Mr. S. Sridhar (Chairman), Mr. Jamal Pradhan (w.e.f. January 25, 2020), Mr. C. Narasimhan and Ms. Rupa Devi Singh. The CCB, inter-alia, looks after sanctioning of loans and advances, approving of One Time Settlements (OTS), etc. The Committee was reconstituted on January 25, 2020 adding Mr. Jamal Pradhan as a member of the CCB. Mr. Amin Manekia ceased to be member of Board and CCB w.e.f. January 11, 2020, after completing the term of eight consecutive years [the maximum permissible] as per the provisions of the Banking Regulation Act, 1949.

During the year, the CCB met on twenty three (23) occasions.

RISK MANAGEMENT COMMITTEE OF BOARD (RMC)

Mr. Aryn Jassani (w.e.f. January 25, 2020) chairs the Risk Management Committee of Board (RMC). Other members of the RMC are Mr. Ashok Barat, Mr. C. Narasimhan, Mr.

Somasundaram PR (w.e.f. January 25, 2020) and Mr. Murali M. Natrajan. RMC, the apex body of the Bank's risk management architecture, is responsible for aligning various risk policies of the Bank with the risk appetite and risk philosophy articulated by the Board. It approves specific risk policies, including the Credit Policy, Investment Policy, Asset Liability Management Policy, Outsourcing Policy, Operational Risk Management Policy, KYC Standards and Anti-Money Laundering measures, etc. The Terms of Reference of the RMC also include Management of the Committees of Executives viz. Operational Risk Management Committee (ORCO), Asset Liability Management Committee (ALCO), Credit Risk Management Committee (CRMC), through the review of their minutes and any issues that require the attention of the RMC, and manage effectively the risk profile of the Bank. The Committee was reconstituted on January 25, 2020 and inducted Mr. Ameen Jassani as member & Chairman of RMC and Mr. Somasundaram PR as member of the RMC. Mr. Amin Manekia ceased to be member of Board and RMC w.e.f. January 11, 2020, after completing the term of eight consecutive years [the maximum permissible] as per the provisions of the Banking Regulation Act, 1949. Mr. Imran Contractor ceased be member of the Board and RMC w.e.f. January 31, 2020 on account of his resignation due to ill health.

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

NOMINATION & REMUNERATION COMMITTEE OF BOARD (NRC)

Mr. S. Sridhar chairs the NRC. Other members are Mr. Ameen Jassani (w.e.f. January 25, 2020), Mr. Nasser Munjee, Ms. Rupa Devi Singh and Mr. Shabbir Merchant (w.e.f. January 25, 2020). Except Mr. Munjee, other four members are Independent Directors and hence the necessary compliance is ensured. The Committee was reconstituted on January 25, 2020 and Mr. Ameen Jassani and Mr. Shabbir Merchant were appointed as additional members of the NRC. Mr. Altaf Jiwani and Mr. Amin Manekia were ceased to be member of Board and NRC w.e.f. January 11, 2020, after completing the term of eight consecutive years [the maximum permissible] as per the provisions of the Banking Regulation Act, 1949

The NRC, inter-alia, looks after the due diligence and recommendation process for appointment/re-appointment of Directors, evaluation of performance of Directors, remuneration, ESOPs, etc. to the MD & CEO and other key managerial personnel of the Bank, monitoring of the compensation policy of the Bank, etc. Independent Directors in their meeting held on March 18, 2015 had laid down the criteria for performance evaluation of the Board, including Independent Directors.

During the year, the NRC met on six (6) occasions.

STAKEHOLDERS' RELATIONSHIP COMMITTEE OF BOARD (SRC)

Mr. Jamal Pradhan (w.e.f. January 25, 2020) chairs the Stakeholders' Relationship Committee of Board (SRC). The other members are Mr. Ameen Jassani (w.e.f. January 25, 2020) and Mr. Shabbir Merchant (w.e.f. January 25, 2020). 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 2019-20, five (05) complaints were received and resolved. There was no complaint outstanding as on March 31, 2020. One (1) request for transfer/transmission/deletion of name was pending as on March 31, 2020. The Company Secretary acts as the Secretary and has been appointed as the Compliance Officer of the SRC. The Committee was reconstituted on January 25, 2020 and Mr. Jamal Pradhan was appointed at member and Chairman of SRC. Mr. Ameen Jassani and Mr. Shabbir Merchant were appointed as additional members of the SRC. Mr. Amin Manekia and Mr. Altaf Jiwani ceased to be members of the Board and SRC w.e.f. January 11, 2020, after completing the term of eight consecutive years [the maximum permissible] as per the provisions of the Banking Regulation Act, 1949. Mr. Imran Contractor ceased be member of the Board and SRC w.e.f. January 31, 2020 on account of his resignation due to ill health.

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

FRAUD REPORTING & MONITORING COMMITTEE OF BOARD (FRMC)

Pursuant to the directives of the RBI to all commercial banks, the Bank has constituted a Fraud Reporting and Monitoring Committee of Board (FRMC) for monitoring cases of fraud involving amounts of ₹ 1 crore or more. Mr. Ashok Barat chairs the FRMC and Mr. Ameen Jassani (w.e.f. January 25, 2020), Mr. C. Narasimhan, Mr. Jamal Pradhan and Mr. Murali M. Natrajan are the other members. The Committee was reconstituted on January 25, 2020 and Mr. Ameen Jassani was appointed as a member of the FRMC. Mr. Altaf Jiwani ceased to be member of the Board and FRMC w.e.f. January 11, 2020, after completing the term of eight consecutive years [the maximum permissible] as per the provisions of the Banking Regulation Act, 1949.

During the year, the FRMC met on two (2) occasions.

CUSTOMER SERVICE COMMITTEE OF BOARD (CSC)

The members of the Customer Service Committee of Board (CSC) are Mr. Jamal Pradhan (Chairman w.e.f. January 25, 2020), Mr. S. Sridhar, Mr. C. Narasimhan (w.e.f. January 25, 2020), Mr. Aymn Jassani (w.e.f. January 25, 2020), Ms. Rupa Devi Singh and Mr. Murali M. Natrajan. The CSC monitors enhancing the quality of customer service and improving the level of customer satisfaction for all categories of clientele at all times. It also oversees the functioning of Standing Committee of Executives on Customer Service. The Committee was reconstituted on January 25, 2020 and appointment Mr. Jamal Pradhan as Chairman of the CSC and Mr. Aymn Jassani was appointed as a member of the Board and CSC. Mr. Altaf Jiwani ceased to be member of the Board and CSC w.e.f. January 11, 2020, after completing the term of eight consecutive years [the maximum permissible] as per the provisions of the Banking Regulation Act, 1949.

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

CAPITAL RAISING COMMITTEE OF BOARD (CRC)

Mr. Nasser Munjee (Chairman) chairs the Capital Raising Committee of Board (CRC). The other members are, Mr. Ashok Barat, Mr. Iqbal Khan, Mr. S. Sridhar, Mr. Somasundaram PR (w.e.f. January 25, 2020) 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. The Committee was reconstituted on January 25, 2020 and Mr. Iqbal Khan and Mr. Somasundaram PR were appointed as a member of the CRC. Mr. Altaf Jiwani ceased to be member of FRMC w.e.f. January 11, 2020, after completing the term of eight consecutive years [the maximum permissible] as per the provisions of the Banking Regulation Act, 1949. Mr. Imran Contractor ceased to be member of the Board and CRC w.e.f. January 31, 2020 on account of his resignation due to ill health.

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

INFORMATION TECHNOLOGY STRATEGY COMMITTEE OF BOARD (ITSC)

The members of the Information Technology Strategy Committee of Board (ITSC) are Mr. C. Narasimhan (Chairman), Mr. Iqbal Khan, Mr. Jamal Pradhan and Mr. Rafiq Somani (w.e.f. March 14, 2020). Mr. R. Venkatesh, Head–Ops., Tech & HR is also a member of the ITSC as a Management Representative. ITSC, inter alia, approves IT related strategy, Roadmap for initiatives, Budget and investments to support Bank's growth strategies in accordance with the Business Plan. The Committee was reconstituted on March 14, 2020 and Mr. Rafiq Somani was appointed as a member of the ITSC. Mr. Imran Contractor ceased to be member of the Board and ITSC w.e.f. January 31, 2020 on account of his resignation due to ill health.

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE OF BOARD (CSR COMMITTEE)

The members of the CSR Committee are Mr. Nasser Munjee (Chairman), Ms. Rupa Devi Singh, Mr. S. Sridhar and Mr. Murali M. Natrajan, MD & CEO. Mr. Imran Contractor ceased to be member of the Board and CSR w.e.f. January 31, 2020 on account of his resignation due to ill health.

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

During the year, the CSR Committee had met once.

WILFUL DEFAULTERS REVIEW COMMITTEE OF BOARD (WDRC)

The members of the Wilful Defaulters – Review Committee are Mr. Murali M. Natrajan (Chairman) and any two Independent Directors 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 2020

Sr. No.	Name of Director	Appointed On	BM	ACB	CCB	ECB	CRC	RMC	FRMC	NRC	SRC	CSC	ITSC	CSR	WDR
	No. of Meetings held		8	8	23	1	0	4	2	6	3	4	4	1	0
1.	Nasser Munjee	June 29, 2005	7	N.M.	N.M.	1	0	N.M.	N.M.	6	N.M.	N.M.	N.M.	1	N.M.
2.	Murali M. Natrajan	April 29, 2009	8	N.M.	N.M.	N.M.	0	4	2	N.M.	N.M.	4	N.M.	1	N.M.
3.	Amin Manekia	January 12, 2012	7	N.M.	17	N.M.	N.M.	2	N.M.	4	3	3	N.M.	N.M.	N.M.
4.	Altaf Jiwani	January 12, 2012	6	3	N.M.	1	0	N.M.	1	2	3	2	N.M.	N.M.	N.M.
5.	Amyr Jassani	January 25, 2020	0	3	N.M.	N.M.	N.M.	2	0	1	0	1	N.M.	N.M.	N.M.
6.	Ashok Barat	March 22, 2018	8	8	N.M.	N.M.	0	4	2	N.M.	N.M.	N.M.	N.M.	N.M.	N.M.
7.	C. Narasimhan	October 12, 2012	7	N.M.	23	N.M.	N.M.	3	1	N.M.	N.M.	1	4	N.M.	N.M.
8.	Imran Contractor	October 12, 2012	8	6	N.M.	0	0	2	N.M.	N.M.	2	N.M.	4	1	N.M.
9.	Iqbal Khan	July 15, 2017	5	N.M.	N.M.	1	0	N.M.	N.M.	N.M.	N.M.	N.M.	1	N.M.	N.M.
10.	Jamal Pradhan	January 15, 2013	7	N.M.	5	N.M.	N.M.	N.M.	2	N.M.	0	4	4	N.M.	N.M.
11.	Mr. Rafiq Somani	March 09, 2020	0	N.M.	N.M.	N.M.	N.M.	N.M.	N.M.	N.M.	N.M.	N.M.	0	N.M.	N.M.
12.	Ms. Rupa Devi Singh	January 22, 2015	7	N.M.	23	0	N.M.	N.M.	N.M.	5	N.M.	3	N.M.	1	N.M.
13.	Mr. S. Sridhar	October 12, 2012	8	N.M.	23	N.M.	0	N.M.	N.M.	6	N.M.	3	N.M.	1	N.M.
14.	Mr. Shabbir Merchant	January 25, 2020	0	N.M.	N.M.	N.M.	N.M.	N.M.	N.M.	1	0	N.M.	N.M.	N.M.	N.M.
15.	Mr. Shaffiq Dharamshi	January 13, 2015	5	5	N.M.	N.M.	N.M.	N.M.	N.M.	N.M.	N.M.	N.M.	N.M.	N.M.	N.M.
16.	Mr. Somasundaram PR	January 25, 2020	0	2	N.M.	N.M.	0	2	N.M.	N.M.	N.M.	N.M.	N.M.	N.M.	N.M.

N.M. = Not Member

Note: During the year, as per the requirement, a meeting of Independent Directors was also held on March 24, 2020 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 ₹ 24 Lakh for FY 2020 as per the RBI approvals vide its letter No. DBOD.ApptNo.961/29.03.001/2017-18 dated July 28, 2017.

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

Remuneration to MD & CEO

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

Mr. Murali M. Natrajan is the Managing Director & Chief Executive Officer (MD & CEO) of the Bank. The details of the remuneration paid to him during FY 2020 are as follows:

Particulars	Amount (₹)*
Basic	23,990,400.00
Allowances and Perquisite value	28,039,887.00
Contribution to Provident Fund	2,878,848.00
No. of Employee Stock Options granted during the year (2019-20)	Nil

Perquisites (evaluated as per Income Tax Rules wherever applicable and at actual cost to the Bank otherwise) such as furnished accommodation, gas, electricity, water and furnishing, club fees, personal accident insurance, use of car and telephone at residence, medical reimbursement, leave and leave travel concession were provided in accordance with the policy of the Bank in this regard. The above figures exclude perquisite value of ESOPs exercised during the Financial Year 2019-20. No sitting fees were paid to him for attending the meetings of the Board and Committees thereof.

DCB Bank Limited

Further, Mr. Murali M. Natrajan, MD & CEO has not been granted any Employee Stock Options during the year under review in terms of the ESOPs scheme of the Bank. Mr. Natrajan has exercised 100,000 Stock Options during the year.

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

Name of Director	Sitting Fees (₹)
Mr. Altaf Jiwani	780,000.00
Mr. Amin Manekia	1,710,000.00
Mr. Aymyn Jassani	390,000.00
Mr. Ashok Barat	1,110,000.00
Mr. C. Narasimhan	1,970,000.00
Mr. Imran Contractor	1,090,000.00
Mr. Iqbal Khan	330,000.00
Mr. Jamal Pradhan	1,020,000.00
Mr. Rafiq Somani	50,000.00
Ms. Rupa Devi Singh	1,950,000.00
Mr. S. Sridhar	2,050,000.00
Mr. Shabbir Merchant	100,000.00
Mr. Shaffiq Dharamshi	NIL
Mr. Somasundaram PR	NIL
Total	12,550,000.00

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 2019-20

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

Name of Director	Mr. Jamal Pradhan	Ms. Rupa Devi Singh	Mr. Aymyn Jassani	Mr. Shabbir Merchant	Mr. Somasundaram PR	Mr. Rafiq Somani
Date of Birth	December 14, 1968	January 24, 1956	September 17, 1968	September 12, 1968	November 15, 1960	October 11, 1966
Date of the original Appointment	January 15, 2013	January 22, 2015	January 25, 2020	January 25, 2020	January 25, 2020	March 09, 2020
Date of the last Appointment/ Re-appointment	June 02, 2018	January 22, 2015	January 25, 2020	January 25, 2020	January 25, 2020	March 09, 2020
	Non-Independent Director	(Independent Director w.e.f. January 22, 2015)	(Additional Independent Director w.e.f. January 25, 2020)	(Additional Independent Director w.e.f. January 25, 2020)	(Additional Independent Director w.e.f. January 25, 2020)	(Additional Independent Director w.e.f. March 09, 2020)
Expertise in Specific Functional area	SSI, Exports	Agriculture,, SSI & SBF Financing, Corporate & Retail Banking, Infrastructure Sector Financing	Accountancy, Finance, Risk Management and Audit	Human Resources Management, Talent Management, Leadership Development	Accountancy and Finance	Expertise in Information & Technology
Qualification	B.Com OPM42 from Harvard Business School	B. Sc., LLB, CAIIB	M. Com, CA, CS	B.Com; Masters in Personnel Management	B.Com, ACA, Grad, CWA	B.E in Computer Science & Master in Management

Name of Director	Mr. Jamal Pradhan	Ms. Rupa Devi Singh	Mr. Amyn Jassani	Mr. Shabbir Merchant	Mr. Somasundaram PR	Mr. Rafiq Somani
Board Membership of other Public Limited companies as on March 31, 2020	NIL	1	NIL	NIL	NIL	NIL
Chairman/ Member of the Committee of the Board of Directors of the Bank as on March 31, 2020	Chairman: 2 1. Stakeholders' Relationship Committee of Board 2. Customer Service Committee of Board	Chairman: NIL	Chairman: NIL	Chairman: NIL	Chairman: NIL	Chairman: NIL
	Member:	Member:	Member:	Member:	Member:	Member:
	1. Credit Committee of Board	(i) Credit Committee	(i) Risk Management Committee	(i) Nomination & Remuneration Committee	(i) Audit Committee	(i) Information Technology Strategy Committee
	2. Fraud Reporting & Monitoring Committee of Board	(ii) Nomination & Remuneration Committee	(ii) Audit Committee Of Board	(ii) Stakeholders Relationship Committee Of Board	(ii) Capital Raising Committee	
	3. Information Technology Strategy Committee of Board	(iii) Customer Service Committee	(iii) Fraud Reporting & Monitoring Committee		(iii) Risk Management Committee	
		(iv) Corporate Social Responsibility	(iv) Nomination & Remuneration Committee			
		(v) Executive Committee Of Board	(v) Stakeholders Relationship Committee Of Board			
			(vi) Customer Service Committee			
Chairman/ member of the Committee of Directors of the other Companies in which he is a Director as on March 31, 2020.						
a. Audit Committee	Chairman: NIL Member: NIL	Chairman: NIL Member: NIL	Chairman: NIL Member: NIL	Chairman: NIL Member: NIL	Chairman: NIL Member: NIL	Chairman: NIL Member: NIL
b. Stakeholders' Relationship Committee	Chairman: NIL Member: NIL	Chairman: NIL Member: NIL	Chairman: NIL Member: NIL	Chairman: NIL Member: NIL	Chairman: NIL Member: NIL	Chairman: NIL Member: NIL
c. Other Committees	Chairman: NIL Member: NIL	Chairman: NIL Member : NIL	Chairman: NIL Member : NIL	Chairman: NIL Member : NIL	Chairman: NIL Member : NIL	Chairman: NIL Member : NIL
Number of Equity Shares held in the Bank as on March 31, 2020	4,723	Nil	100	850	Nil	1238

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
24 th AGM 01.06.2019 at 2.30 p.m.	Rama & Sundri Watumull Auditorium, K. C. College, Dinshaw Wacha Road, Churchgate, Mumbai – 400 020.	<ol style="list-style-type: none"> 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.
23 rd AGM 02.06.2018 at 2.30 p.m.	Rama & Sundri Watumull Auditorium, K. C. College, Dinshaw Wacha Road, Churchgate, Mumbai – 400 020.	<ol style="list-style-type: none"> 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.
22 nd AGM 01.06.2017 at 2.30 p.m.	Rama & Sundri Watumull Auditorium, K. C. College, Dinshaw Wacha Road, Churchgate, Mumbai – 400 020.	<ol style="list-style-type: none"> 1. Raising of Funds by issue of bonds / debentures/securities on Private Placement basis. 2. Increase in borrowing powers.

Postal Ballot:

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

No Resolution is proposed to be passed by Postal Ballot in the notice of the proposed Twenty Fifth 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 generally in the next month of the relevant quarter. 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 generally held in the first quarter of the immediately succeeding financial year.

LIST OF ALL CREDIT RATINGS OBTAINED BY THE BANK

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

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

The Bank has not raised any fund through Preferential Allotment or Qualified Institutions Placement as specified under regulation 32 (7A) of the SEBI (LODR) Regulations, 2015, during the financial year ended March 31, 2020.

SHAREHOLDERS HOLDING 1% AND ABOVE SHARES IN THE BANK AS ON MARCH 31, 2020

Sr. No.	Name	No. of Shares	% to Capital
1	AGA KHAN FUND FOR ECONOMIC DEVELOPMENT SA	43,750,052	14.09
2	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE SMALL CAP FUND (All Schemes)	13,881,066	4.47
3	HDFC SMALL CAP FUND	13,742,586	4.43
4	INDIA ADVANTAGE FUND S4 I	12,473,881	4.02
5	ICICI PRUDENTIAL BANKING AND FINANCIAL SERVICES FUND (All Schemes)	12,373,258	3.99
6	MATTHEWS INDIA FUND	10,918,345	3.52
7	DSP SMALL CAP FUND	10,813,202	3.48
8	SUNDARAM MUTUAL FUND A/C SUNDARAM MIDCAP FUND (All Schemes)	8,250,513	2.66
9	FRANKLIN INDIA SMALLER COMPANIES FUND	7,449,096	2.40
10	STEINBERG INDIA EMERGING OPPORTUNITIES FUND LIMITED	6,504,514	2.09
11	TATA MUTUAL FUND- TATA EQUITY P/E FUND (All Schemes)	6,003,688	1.93
12	TANO MAURITIUS INDIA FVCI II	5,485,190	1.77
13	L&T MUTUAL FUND TRUSTEE LIMITED-L&T EMERGING BUSINESSES FUND	5,477,765	1.76
14	AUBURN LIMITED	4,024,513	1.30
15	APAX GLOBAL ALPHA LIMITED	3,773,000	1.22
	Total	164,920,669	53.13

DISTRIBUTION OF SHAREHOLDING AS ON March 31, 2020

Number of Equity Shares held	No. of Shareholders	% to total holders	Shares	% to total shares
upto 500	144,911	83.97	17,272,336	5.56
501 to 1000	11,946	6.92	9,184,796	2.96
1001 to 2000	10,445	6.05	14,008,549	4.51
2001 to 3000	2,145	1.24	5,266,326	1.70
3001 to 4000	866	0.50	3,062,591	0.99
4001 to 5000	629	0.37	2,887,076	0.93
5001 to 10000	823	0.48	5,951,948	1.92
10001 & Above	814	0.47	252,781,791	81.43
Total	172,579	100.00	310,415,413	100.00

Out of the above 172,579 folios, 134,009 folios comprise 304,044,031 shares forming 97.95% of the issued share capital, are in dematerialised mode. Another 38,570 folios comprise 6,371,382 shares constituting 2.05% 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, 2020
 [As per Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]
 Table I - Summary Statement holding of specified securities

Category of shareholder	Number of share holders	No. of fully paid up 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 convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered	Number of Equity Shares held in dematerialised form	
							No of Voting Rights	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)			No. (a)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) As a % of (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)	(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)	(XIII)	(XIV)		
Class: eg: X Class Total															
(A)	Promoter & Promoter Group	2	46200234	0	0	46200234	14.88	46200234	0	46200234	14.88	0	0	0.00	46200234
(B)	Public	168979	264215179	0	0	264215179	85.12	264215179	0	264215179	85.12	0	0	0.00	257843797
(C)	Non Promoter - Non Public				0			0	0			0	0	0.00	NA
(C1)	Shares Underlying DRs	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0.00	NA
(C2)	Shares Held By Employee Trust	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0.00	NA
Total		168981	310415413	0	0	310415413	100.00	310415413	0	310415413	100.00	0	0	0.00	304044031

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

Category & Name of the shareholders	PAN	Nos. of share holders	No. of fully paid up Shares held	Partly paid-up Equity Shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares	Number of Shares pledged or otherwise encumbered	Number of Equity Shares held in dematerialised form
								Class eg: X	Class eg: Y					
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)	(X)	(XI) = (VII)+(X)	(XII)	(XIII)	(XIV)	
1 Indian														
(a) Individuals / Hindu Undivided Family		0	0	0	0	0	0.00	0	0	0	0.00	0	0	0
(b) Central Government / State Government(s)		0	0	0	0	0	0.00	0	0	0	0.00	0	0	0
(c) Financial Institutions / Banks		0	0	0	0	0	0.00	0	0	0	0.00	0	0	0
(d) Any Other (Specify)		1	2450182	0	0	2450182	0.79	2450182	0	2450182	0.79	0	0	2450182
Bodies Corporate		1	2450182	0	0	2450182	0.79	2450182	0	2450182	0.79	0	0	2450182
Platinum Jubilee Investments Ltd.		1	2450182	0	0	2450182	0.79	2450182	0	2450182	0.79	0	0	2450182
Sub Total (A)(1)		1	2450182	0	0	2450182	0.79	2450182	0	2450182	0.79	0	0	2450182

Category & Name of the shareholders	PAN	Nos. of share holders	No. of fully paid up Shares held	Partly paid-up Equity Shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered	Number of Equity Shares held in dematerialised form	
								Class eg: X	Class eg: y			No. (a)	As a % of total Shares held(b)			No. (a)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)	(X)	(XI) = (VII)+(X) As a % of (A+B+C2)	(XII)	(XIII)	(XIV)			
2 Foreign																
(a) Individuals (Non-Resident Individuals / Foreign Individuals)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0
(b) Government		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0
(c) Institutions		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0
(d) Foreign Portfolio Investor		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0
(e) Any Other (Specify)		1	43750052	0	0	43750052	14.09	43750062	0	43750052	14.09	0	0.00	0	0.00	43750052
Bodies Corporate		1	43750052	0	0	43750052	14.09	43750062	0	43750052	14.09	0	0.00	0	0.00	43750052
Aga Khan Fund For Economic Development SA		1	43750052	0	0	43750052	14.09	43750062	0	43750052	14.09	0	0.00	0	0.00	43750052
Sub Total (A)(2)		1	43750052	0	0	43750052	14.09	43750062	0	43750052	14.09	0	0.00	0	0.00	43750052
Total Shareholding Of Promoter And Promoter Group (A) = (A) (1)+(A)(2)		2	46200234	0	0	46200234	14.88	46200234	0	46200234	14.88	0	0.00	0	0.00	46200234

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

Note:

- (1) PAN would not be displayed on website of Stock Exchange(s)
- (2) The term 'Encumbrance' has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Table III - Statement showing shareholding pattern of the Public shareholder

Category & Name of the shareholders	PAN	Nos. of share holders	No. of fully paid up Equity Shares held	Partly paid-up Equity Shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Shares Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares (a)	Number of Shares pledged or otherwise encumbered held(b)	Number of Equity Shares held in dematerialised form	
								Class eg: X	Total Class eg: y						(X)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)	(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)	(XIII)	(XIV)		
1 Institutions															
(a) Mutual Fund		21	83334993	0	0	83334993	26.85	83334993	0	83334993	26.85	0	0.00	NA	83334993
Aditya Birla Sun Life Trustee Private Limited A/c Aditya Birla Sun Life Small Cap Fund			13881066	0	0	13881066	4.47	13881066	0	13881066	4.47	0	0.00	NA	13881066
HDFC Small Cap Fund			13742586	0	0	13742586	4.43	13742586	0	13742586	4.43	0	0.00	NA	13742586
ICICI Prudential Banking And Financial Services Fund			12373258			12373258	3.99	12373258	0	12373258	3.99	0	0.00	NA	12373258
DSP Small Cap Fund			10813202	0	0	10813202	3.48	10813202	0	10813202	3.48	0	0.00	NA	10813202
Sundaram Mutual Fund A/C Sundaram Midcap Fund			8250513	0	0	8250513	2.66	8250513	0	8250513	2.66	0	0.00	NA	8250513
Franklin India Smaller Companies Fund			7449096			7449096	2.40	7449096	0	7449096	2.40	0	0.00	NA	7449096
Tata Mutual Fund- Tata Equity P/E Fund			6003688			6003688	1.93	6003688	0	6003688	1.93	0	0.00	NA	6003688
L&T Mutual Fund Trustee Limited-L&T Emerging Businesses Fund			5477765			5477765	1.76	5477765	0	5477765	1.76	0	0.00	NA	5477765
(b) Venture Capital Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	NA	0

Category & Name of the shareholders	PAN	Nos. of share holders	No. of fully paid up Equity Shares held	Partly paid-up Equity Shares held	No. of underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares	Number of Shares pledged or otherwise encumbered	Number of Equity Shares held in dematerialised form
								Class eg: X	Class eg: Y	Total					
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)	(X)	(XI)=(VII)+(X) As a % of (A+B+C2)	(XII)	(XIII)	(XIV)		
(c) Alternate Investment Funds		13	22159951	0	0	22159951	7.14	22159951	0	22159951	7.14	0	0.00	NA	22159951
India Advantage Fund S4 I		12473881	0	0	0	12473881	4.02	12473881	0	12473881	4.02	0	0.00	NA	12473881
(d) Foreign Venture Capital Investors		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	NA	0
(e) Foreign Portfolio Investor		123	70846608	0	0	70846608	22.82	70846608	0	70846608	22.82	0	0.00	NA	70846608
Matthews India Fund		10918345	0	0	0	10918345	3.52	10918345	0	10918345	3.52	0	0.00	NA	10918345
Steinberg India Emerging Opportunities Fund Limited		6504514	0	0	0	6504514	2.10	6504514	0	6504514	2.10	0	0.00	NA	6504514
Tano Mauritius India FVCI II		5485190	0	0	0	5485190	1.77	5485190	0	5485190	1.77	0	0.00	NA	5485190
Auburn Limited		4024513	0	0	0	4024513	1.30	4024513	0	4024513	1.30	0	0.00	NA	4024513
Apax Global Alpha Limited		3773000	0	0	0	3773000	1.22	3773000	0	3773000	1.22	0	0.00	NA	3773000
(f) Financial Institutions / Banks		3	866598	0	0	866598	0.28	866598	0	866598	0.28	0	0.00	NA	866598
(g) Insurance Companies		4	3276024	0	0	3276024	1.06	3276024	0	3276024	1.06	0	0.00	NA	3276024
(h) Provident Funds/ Pension Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	NA	0
(i) Any Other (Specify)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	NA	0
Sub Total (B)(1)		164	180484174	0	0	180484174	58.15	180484174	0	180484174	58.15	0	0.00	NA	180484174
2 Central Government/ State Government(s)/ President of India															
Sub Total (B)(2)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	NA	0

Category & Name of the shareholders	PAN	Nos. of share holders	No. of fully paid up Equity Shares held	Partly paid-up Equity Shares held	No. of shares underlying Depository Receipts	Total nos. shares held (VII)+(V)+(VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered held(b)	Number of Equity Shares held in dematerialised form	
								Class eg: X	Class eg: Y	Total			Total as a % of (A+B+C)	No. (a)			As a % of total Shares held(b)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)	(XII)	(XIII)	(XIV)				
3 Non-Institutions																	
(a) Individuals		161865	64473044			64473044	20.77	64473044	20.77		20.77	0.00			56363528		
i Individual shareholders holding nominal share capital up to ₹ 2 lakhs.		161694	54097222	0	0	54097222	17.43	54097222	17.43	0	17.43	0	0.00	NA	47987907		
ii Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs.		171	10375822	0	0	10375822	3.34	10375822	3.34	0	3.34	0	0.00	NA	10375621		
(b) NBFCs registered with RBI		1	4150	0	0	4150	0.00	4150	0.00	0	0.00	0	0.00	NA	4150		
(c) Employee Trusts		1	1000	0	0	1000	0.00	1000	0.00	0	0.00	0	0.00	NA	1000		
(d) Overseas Depositories (holding DRs) (balancing figure)		0	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	NA	0		
(e) Any Other (Specify)		6948	19252811	0	0	19252811	6.20	19252811	6.20	0	6.20	0	0.00	NA	18990945		
Trusts		10	40976	0	0	40976	0.01	40976	0.01	0	0.01	0	0.00	NA	39941		
Foreign Nationals		0	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	NA	0		
Hindu Undivided Family		2550	1633167	0	0	1633167	0.53	1633167	0.53	0	0.53	0	0.00	NA	1633167		
Foreign Companies		0	0	0	0	0	0.00	0	0.00	0	0.00	0	0.00	NA	0		
Directors/Relative of Directors		14	2114424	0	0	2114424	0.68	2114424	0.68	0	0.68	0	0	NA	2111701		

Category & Name of the shareholders	PAN	Nos. of share holders	No. of fully paid up Equity Shares held	Partly paid-up Equity Shares held	No. of shares underlying Depository Receipts	Total nos. shares held (V)+(VI)+(VII)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered held (b)	Number of Shares held in dematerialised form
								Class eg: X	Class eg: Y	Total			No. (a)	As a % of total Shares held (b)		
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)	(X)	(XI) = (VII)+(X) As a % of (A+B+C2)	(XII)	(XIII)	(XIV)			
Employee		320	1897617	0	0	1897617	0.61	1897617	0	1897617	0	0.61	0	0	NA	1871424
Non Resident Indians		2674	3800927	0	0	3800927	1.22	3800927	0	3800927	0	1.22	0	0.00	NA	3798177
Foreign Portfolio Investor (Individual)		0	0	0	0	0	0.00	0	0	0	0	0.00	0	0.00	NA	0
Clearing Member		167	516855	0	0	516855	0.17	516855	0	516855	0	0.17	0	0.00	NA	516855
Enemy Property		26	123	0	0	123	0.00	123	0	123	0	0.00	0	0.00	NA	0
Bodies Corporate		1187	9248722	0	0	9248722	2.98	9248722	0	9248722	0	2.98	0	0.00	NA	9019680
Sub Total (B)(3)		168815	83731005	0	0	83731005	26.97	83731005	0	83731005	0	26.97	0	0.00	NA	77359623
Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)		168979	264215179	0	0	264215179	85.12	264215179	0	264215179	0	85.12	0	0.00	NA	257843797

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):

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

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

Note:

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

OUTSTANDING WARRANTS/ADRS/GDRS/ CONVERTIBLE INSTRUMENTS

None.

DATE OF THE BOARD MEETING AT WHICH THE FINANCIAL STATEMENTS AND THE QUARTERLY RESULTS WERE APPROVED: May 23, 2020.

FINANCIAL YEAR

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

DIVIDEND PAYMENT DATE:

The dividend for the financial Year 2018-19 declared on June 1, 2019 was paid on June 3, 2019 to all those Shareholders who were entitled to receive the same.

FAMILIARISATION PROGRAMME:

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

https://www.dcbbank.com/pdfs/Familiarisation-Programme-for-Independent-Directors_31-03-2020.pdf

COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

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

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

DATE OF BOOK CLOSURE/RECORD DATE:

The Bank has fixed Saturday, July 4, 2020 as the Record Date (Cut-off Date) for the purpose of the 25th AGM and to ascertain voting rights of the Members.

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

The Twenty Fifth Annual General Meeting of the Bank will be held via Video Conferencing (VC) or Other Audio Visual Means (OAVM) on Saturday, July 11, 2020 at 2.30 p.m. (IST).

LAST DATE OF 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:

The Reserve Bank of India (RBI) vide it's Circular RBI/2019-20/218 DOR.BP.BC.No.64/21.02.067/2019-20 dated April 17, 2020 has directed all the commercial banks to conserve capital to retain their capacity to support the economy and absorb losses in an environment of heightened uncertainty caused by Covid-19 and has restricted them from making any dividend pay-out till further instructions. In view of this your Board has not recommended any dividend for the financial year ended March 31, 2020. 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 336 branches and 504 ATM centers (both onsite and offsite) as at March 31, 2020.

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.dccb.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 ₹ 92 Lakh was paid / provided on an aggregate basis to the statutory auditors during the year for all the services provided by them to the Bank.
8. A certificate dated May 21 2020 from M/s. S. N. Ananthasubramanian & Co., Company Secretaries in Practice have been obtained certifying that none of the Directors on the Board of the Bank have been debarred or disqualified from being appointed or continuing as Directors of the Bank by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.
9. The Bank has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013]. The details of complaints received and redressed during the financial year 2019-20 are as under:
 - a. number of complaints filed during the financial year: 2
 - b. number of complaints disposed of during the financial year: 1
 - c. number of complaints pending as on end of the financial year.: 1

COMPLIANCE WITH MANDATORY REQUIREMENTS

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

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

The Bank has complied with four out of the five discretionary requirements as stated below:

1. THE BOARD

An office of the Chairman is maintained at the Bank's expense and reimbursement of expenses incurred by the Chairman in performance of his duties is allowed. None of the Directors of the Bank, other than its Chairman and/ or Whole Time Director, can hold office continuously for a period exceeding eight years.

2. MODIFIED OPINION(S) IN AUDIT REPORT

There are no audit qualifications in the Bank's financial statements or qualification or adverse remark by the Company Secretary in Practice in his Secretarial Audit Report for FY 2020. The Bank wishes to continue in the regime of unqualified financial statements as well as Secretarial Audit Report.

3. SEPARATE POSTS OF CHAIRPERSON AND CHIEF EXECUTIVE OFFICER

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

4. REPORTING OF INTERNAL AUDITOR

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

5. DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

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

LISTING ON STOCK EXCHANGES

In order to impart liquidity and convenience for trading, the Equity Shares and Tier II Bonds of the Bank are listed at the following Stock Exchanges. The annual fees for FY 2020 have been paid to all the Stock Exchanges where the securities are listed.

Sr. No.	Name & Address of the Stock Exchanges	Stock Code	ISIN
1.	Equity Shares on BSE Ltd.		
	Phiroze Jeejebhoy Towers, Dalal Street, Fort, Mumbai - 400 001	532772	INE503A01015
2.	Equity Shares on National Stock Exchange of India Ltd. (NSE) Exchange Plaza, 5th Floor, Bandra Kurla Complex, Bandra (East)	DCB BANK	INE503A01015
3	Tier II Bonds issued on March 31, 2016 have been listed on NSE under WDM segment	DCB26	INE503A08010
4	Tier II Bonds issued on November 18, 2016 have been listed on NSE under WDM segment	DCB26	INE503A08028
5	Tier II Bonds issued on November 17, 2017 have been listed on NSE under WDM segment	DCB27	INE503A08036
6	Tier II Bonds issued on January 12, 2018 have been listed on BSE and NSE under WDM segment	NSE-DCB 28 BSE-957380	INE503A08044

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

National Securities Depository Ltd. (NSDL)

Central Depository Services (India) Ltd. (CDSL)

The Bank's shares/bonds are traded compulsorily in dematerialised (Demat) mode. The dematerialised shares/bonds are transferable through the depository system. Transfer/transmission of Equity Shares in physical mode are processed by the Registrars and Share Transfer Agents, Link Intime India Private. Ltd., and approved by the Share Transfer Committee of the Bank. Link Intime India Private. Ltd. processes the share transfers within a period of 15 days from the date of receipt of the transfer documents. The Bank is in the process of transferring underlined shares pertaining to the Unclaimed Dividend already transferred to the Investor Education and Protection Fund (IEPF) in compliance with the regulatory requirement.

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.dccb.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 relaxation granted by SEBI on account of problem of Covid-19, the information will 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:

LINK INTIME INDIA PRIVATE LTD.,

Registrars and Transfer Agents.

CIN: U67190MH1999PTC118368

Unit: DCB BANK LIMITED

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

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

Fax: +91 22 49186060

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

Website: www.linkintime.co.in

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

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

Details of Debenture Trustee:

IDBI Trusteeship Services Ltd.

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@dccb.com

ADDRESS OF THE REGISTERED & CORPORATE OFFICE OF THE BANK:

DCB Bank Limited

601 & 602, Peninsula Business Park, Tower A, 6th floor,
Senapati Bapat Marg, Lower Parel,
Mumbai - 400 013.

Telephone: 022-66187000

Fax: 022-66589970

Date of Incorporation: 31-05-1995

Registration No.11-89008 of 1995

CIN: L99999MH1995PLC089008

Website: www.dccb.com

E-mail ID: investorgrievance@dccb.com

DCB BANK SHARE PRICE & VOLUME OF SHARES TRADED

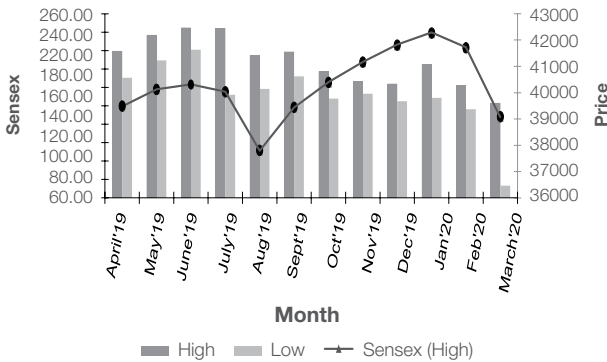
The monthly high and low quotation and volume of shares traded on the BSE Ltd. (BSE).

Month	High	Low	Sensex (High)
April'19	219.30	190.55	39,487.45
May'19	236.75	209.35	40,124.96
June'19	244.60	221.10	40,312.07
July'19	244.05	172.00	40,032.41
Aug'19	214.75	178.35	37,807.55
Sept'19	218.50	192.00	39,441.12
Oct'19	197.00	167.80	40,392.22
Nov'19	186.90	173.15	41,163.79
Dec'19	184.00	164.95	41,809.96
Jan'20	204.55	168.70	42,273.87
Feb'20	181.75	156.40	41,709.30
March'20	163.20	73.25	39,083.17

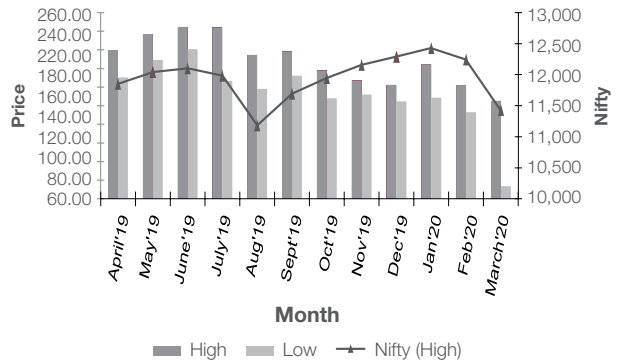
The monthly high and low quotation and volume of shares traded on the National Stock Exchange (NSE).

Month	High	Low	Nifty (High)
April'19	219.75	190.35	11,856.15
May'19	237.00	208.95	12,041.15
June'19	244.65	220.85	12,103.05
July'19	244.00	186.35	11,981.75
Aug'19	214.75	178.20	11,181.45
Sept'19	218.40	192.10	11,694.85
Oct'19	197.85	168.10	11,945.00
Nov'19	187.00	172.00	12,158.80
Dec'19	182.50	164.80	12,293.90
Jan'20	204.50	168.75	12,430.50
Feb'20	182.00	153.00	12,246.70
March'20	165.30	73.50	11,433.00

DCB Share Price on BSE



DCB Share Price on NSE



TO THE MEMBERS OF DCB BANK LIMITED**INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

1. This certificate is issued in accordance with the terms of our engagement letter reference no. RND/7154 dated 4 July, 2019.
2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of DCB BANK LIMITED ("the Bank"), have examined the compliance of conditions of Corporate Governance by the Bank, for the year ended on 31 March, 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The Listing regulations).

Managements' Responsibility

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

Auditors' Responsibility

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

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Bank has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the year ended 31 March, 2020.
9. We state that such compliance is neither an assurance as to the future viability of the Bank nor the efficiency or effectiveness with which the Management has conducted the affairs of the Bank.

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

Sd/-

G. K. Subramaniam
(Membership No.109839)
UDIN:20109839AAAAHA4650

Mumbai, 23 May, 2020

FORM NO. MR – 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020

[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 Secretarial Audit of compliance of applicable statutory provisions and adherence to good corporate practices by **DCB Bank Limited** (hereinafter called 'the Company') for the **Financial Year ended 31st March, 2020**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books and papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the **Financial Year ended 31st March, 2020** complied with statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books and papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended 31st March, 2020 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 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;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – **Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – **Not applicable as the Company has not delisted / proposes to delist its Equity Shares from any Stock Exchange during the financial year under review;**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – **Not applicable as the Company has not bought back / proposes to buy-back any of its securities during the financial year under review;** and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- (vi) The Company has identified and confirmed the following laws as being specifically applicable to the Company:
- (a) The Banking Regulation Act, 1949 & Banking Companies Rules, 1949 (as amended from time to time);
 - (b) The Banking Companies (Period of Preservation of Records) Rules, 1985;
 - (c) The Foreign Exchange Management Act, 1999 and Rules, Regulations and notifications issued from time to time;
 - (d) The Prevention of Money-Laundering Act (PMLA), 2002 and The Prevention of Money Laundering (Maintenance of Records, etc.) Rules, 2005;
 - (e) The Reserve Bank of India (RBI) Act, 1934;
 - (f) The Reserve Bank of India (Amendment and Misc. Provisions) Act, 1953;
 - (g) The Banking Ombudsman Scheme, 2006;
 - (h) The Bankers' Books Evidence Act, 1891;
 - (i) Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002;
 - (j) The Aadhaar (Targeted Delivery of Financial and other Subsidies Benefits and Services) Act, 2016;
 - (k) The Payment and Settlement Systems Act, 2007;
 - (l) The Deposit Insurance and Credit Guarantee Corporation Act, 1961;
 - (m) The Negotiable Instruments Act, 1881;
 - (n) The Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994;
 - (o) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

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

- (i) Secretarial Standards with respect to Meetings 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 Company with National Stock Exchange of India Limited and BSE Limited.

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

We further report that:

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors including Independent Directors and a Woman Director. Changes in the composition of Board which took place during the year under review, were carried out in compliance with the provisions of the Act;
- (ii) Adequate notice is given to all Directors of the schedule of the Board/Committee Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance before the meeting except where consent of Directors was received for circulation of the Agenda and notes on Agenda less than seven days before the meeting;
- (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 Company (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 Company should continue its efforts to strengthen its systems and processes in the Company to be commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines; and

DCB Bank Limited

- (i) As informed, the Company has responded appropriately to notices received from various statutory / regulatory authorities including initiating actions for corrective measures, payment of penalties etc., wherever necessary.

We further report that during the audit period, the Members at the Annual General Meeting of the Company held on 1st June 2019 have approved by way of Special Resolution:

- (i) Amendments to the Object Clause of the Memorandum of Association of the Bank enabling the Bank to expand its product and services and/or commence any other permitted business activities within the scope and ambit of the regulatory framework applicable to the Bank;
- (ii) Borrowing from time to time, any sum or sums of monies, which together with the monies already borrowed by the Bank (apart from deposits accepted in the ordinary course of business, temporary loans repayable on demand or within six months from the date of the loan or temporary loans, if any, obtained from the Bank's bankers) may exceed the aggregate of the paid-up capital of the Bank and its free reserves, provided that the total outstanding amount so borrowed by the Bank shall not at any time exceed ₹ 4,000 crore (Rupees Four Thousand crore only) or the aggregate of the paid up capital and free reserves, whichever is higher;
- (iii) Issue of bonds/ debentures/ securities in domestic/foreign markets on Private Placement basis of an amount not exceeding ₹ 500 crore (Rupees Five Hundred crore only), 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, for a period of one year, in one or more tranches and /or series

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

Sd/-

S. N. Ananthasubramanian

Partner

FCS: 4206 | COP No.: 1774

ICSI UDIN: F004206B000264950

21st May, 2020 | Thane

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

Our Secretarial Audit Report for the Financial Year ended 31st March, 2020, of even date, is to be read along with this letter

Management's Responsibility

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

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

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

For **S. N. ANANTHASUBRAMANIAN & Co.**

Company Secretaries

ICSI Unique Code: P1991MH040400

Peer Review Cert. No.: 606/2019

S. N. Ananthasubramanian

Partner

FCS: 4206 | COP No.: 1774

ICSI UDIN: F004206B000264950

21st May, 2020 | Thane

INDEPENDENT AUDITORS' REPORT

To the Members of DCB Bank Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of DCB Bank Limited ("the Bank"), which comprise the Balance Sheet as at 31 March, 2020, the Profit and Loss Account, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949, Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards") as applicable to banks and other accounting principles generally accepted in India, of the state of affairs of the Bank as at 31 March, 2020, and its profit, and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 5.15-Schedule 18 to the Financial Statements which fully describes that the Bank has recognised provision on loans to reflect the adverse business impact and uncertainties arising from the COVID 19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID 19 pandemic.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	Auditors' Response
1	<p>Identification of and provisioning for non-performing assets (loans) in accordance with the RBI guidelines</p> <p>(Refer Schedule 9 read with Note 5-Schedule 17 to the financial statements)</p> <p>The Bank has net advances amounting to ₹ 253,452,923 thousands as at 31 March, 2020. Identification of and provisioning for non-performing assets (loans) in accordance with relevant prudential norms issued by the Reserve Bank of India (RBI) in respect of income recognition, asset classification and provisioning pertaining to advances, including circulars in relation to COVID 19 Regulatory Package – Asset Classification and Provisioning (herein after referred as “Relevant RBI guidelines”) and management judgements used in determination of additional provisions considering the current uncertain economic environment arising out of the COVID 19 is a key audit matter due to the current processes at the Bank which requires manual interventions, management estimates and judgement and level of regulatory and other stakeholders focus.</p> <p>Accordingly, our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances and associated impairment provisions.</p>	<p>Our audit approach included testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of income recognition, asset classification and provisioning pertaining to advances. In particular:</p> <ul style="list-style-type: none"> we have evaluated and understood the Bank's accounting policies and internal control system in adhering to the Relevant RBI guidelines regarding income recognition, asset classification and provisioning pertaining to advances; we have analysed and understood key IT systems/ applications used and tested the design and implementation as well as operational effectiveness of relevant controls, including involvement of manual process and manual controls in relation to approval, recording and monitoring of loans, income recognition, asset classification viz., standard, sub-standard, doubtful and loss with reference to the relevant RBI guidelines and provisioning pertaining to advances; we test checked advances to examine the approval process, validity of the recorded amounts, loan documentation, examined the statement of accounts, indicators of impairment, impairment provision for non-performing assets, additional provisions made on advances considering the current uncertain economic environment arising out of COVID 19 pandemic and compliance with income recognition, asset classification and provisioning pertaining to advances; evaluated the past trends of management judgement, governance process and review controls over impairment provision calculations including minutes of the Specific Provisions Review Committee meetings; and performed inquiries regarding the provisions made with senior management including the Chief Executive Officer, Chief Financial Officer, Chief Risk Officer and Chief Credit Officer.
2.	<p>Key Information technology (IT) systems used in financial reporting process</p> <p>The Bank's operational and financial processes are dependent on IT systems due to large volume of transactions that are processed daily and accordingly the IT infrastructure is critical for smooth functioning of the Bank's business operations as well as for timely and accurate financial reporting and accounting. The Bank has constituted an IT Strategy Committee at the Board level to oversee implementation of IT strategy.</p>	<p>We involved our IT specialists to obtain an understanding of the Bank's IT related control environment. Furthermore, we conducted an assessment and identified key IT applications, databases and operating systems that are relevant to our audit and have identified Core Banking System (“CBS”) and Treasury System primarily as relevant for financial reporting.</p> <p>For the key IT systems pertaining to CBS and treasury operations used to prepare accounting and financial information, our areas of audit focus included Access Security (including controls over privileged access), program change controls, database management and network operations. In particular:</p> <ul style="list-style-type: none"> we obtained an understanding of the Bank's IT control environment and key changes during the audit period that may be relevant to the audit and reviewed the minutes of IT Strategy Committee meetings;

Sr. No.	Key Audit Matters	Auditors' Response
		<ul style="list-style-type: none"> we tested the design, implementation and operating effectiveness of the Bank's General IT controls over the key IT systems that are critical to financial reporting. This included evaluation of Bank's controls to evaluate segregation of duties and access rights being provisioned / modified based on duly approved requests, access for exit cases being revoked in a timely manner and access of all users being re-certified during the period of audit; we also tested key automated and manual business cycle controls and logic for system generated reports relevant to the audit; including testing of compensating controls or performed alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

- The Bank's Board of Directors is responsible for the preparation of the other information. The other information comprises the Chairman's Statement, the Directors' Report including annexures to Directors' Report and Corporate Governance Report included in the Annual report, but does not include the financial statements and our auditors' report thereon and the Pillar III Disclosures under the New Capital Adequacy Framework (Basel III disclosures).
- Our opinion on the financial statements does not cover the other information and the Basel III disclosures, and accordingly, we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Bank's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Bank in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949, the Accounting Standards and other accounting principles generally accepted in India and the circulars, guidelines and directions issued by the Reserve Bank of India, from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibility for the Audit of the Financial Statements

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act and Section 30 of the Banking Regulation Act, 1949, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit and found them to be satisfactory.
 - b) In our opinion, the transactions of the Bank which have come to our notice have been within the powers of the Bank.
 - c) As mentioned in paragraph 2 below, the financial accounting system of the Bank are centralised and, therefore, accounting returns are not required to be submitted by the branches.
 - d) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books.
 - e) The Balance Sheet, the Profit and Loss Account, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

DCB Bank Limited

- f) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, as applicable to banks.
 - g) On the basis of the written representations received from the directors as on 31 March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - h) With respect to the adequacy of the internal financial controls over financial reporting of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Bank's internal financial controls over financial reporting.
 - i) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the entity being a banking company, Section 197 of the Act related to the managerial remuneration is not applicable by virtue of Section 35B (2A) of the Banking Regulation Act, 1949.
 - j) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Bank has disclosed the impact of pending litigations on its financial position in its financial statements;
 - ii. The Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank – refer note 18-Schedule 18 to the financial statements.
2. We report that during the course of our audit we have visited and performed select relevant procedures at 19 branches. Since the Bank considers its key operations to be automated, with the key applications largely integrated to the core banking system, it does not require its branches to submit any financial returns. Accordingly, our audit is carried out centrally at the Head Office and Central Processing Units based on the necessary records and data required for the purposes of the audit being made available to us.

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

G. K. Subramaniam
Partner
(Membership No. 109839)
UDIN: 20109839AAAAGZ1431

Mumbai, 23 May, 2020

ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

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

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

We have audited the internal financial controls over financial reporting of DCB Bank Limited (the “Bank”) as at 31 March, 2020 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Bank’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient

and appropriate to provide a basis for our audit opinion on the Bank’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Bank has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2020, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

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

G. K. Subramaniam
Partner

(Membership No. 109839)

Mumbai, 23 May, 2020

BALANCE SHEET AS AT MARCH 31, 2020

	Schedule	As on 31.03.2020 (₹ in 000's)	As on 31.03.2019 (₹ in 000's)
CAPITAL & LIABILITIES			
Capital	1	3,104,154	3,095,469
Employee Stock Options			
(Grants outstanding net of deferred cost)		9,794	11,561
Reserves and Surplus	2	31,107,569	28,048,982
Capital and Reserves		34,221,517	31,156,012
Deposits	3	303,699,287	284,351,142
Borrowings	4	34,079,512	27,232,036
Other Liabilities and Provisions	5	13,051,091	15,179,135
TOTAL CAPITAL & LIABILITIES		385,051,407	357,918,325
ASSETS			
Cash and Balances with Reserve Bank of India	6	10,297,983	13,172,175
Balances with Banks and Money at Call and Short Notice	7	25,160,717	14,761,581
Investments	8	77,415,027	78,440,909
Advances	9	253,452,923	235,679,972
Fixed Assets	10	5,458,728	5,259,832
Other Assets	11	13,266,029	10,603,856
TOTAL ASSETS		385,051,407	357,918,325
Contingent Liabilities	12	48,147,460	31,859,279
Bills for Collection		4,319,943	3,923,009
Significant Accounting Policies	17		
Notes to Accounts	18		

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

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

As per our report of even date.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

Firm Registration Number: 117365W

G.K. Subramaniam

Partner

Membership No. : 109839

Place : Mumbai

Date : May 23, 2020

For and on behalf of the Board of Directors

Murali M. Natrajan

MD & CEO

Bharat Sampat

Chief Financial Officer

Place : Mumbai

Date : May 23, 2020

Ashok Barat

Director

Rubi Chaturvedi

Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2020

	Schedule	As on 31.03.2020 (₹ in 000's)	As on 31.03.2019 (₹ in 000's)
I. INCOME			
Interest Earned	13	35,366,329	30,414,880
Other Income	14	3,910,920	3,501,589
TOTAL INCOME		39,277,249	33,916,469
II. EXPENDITURE			
Interest Expended	15	22,717,186	18,921,955
Operating Expenses	16	9,029,445	8,528,513
Provisions and Contingencies	18 (12.1)	4,151,257	3,212,340
TOTAL EXPENDITURE		35,897,888	30,662,808
III. PROFIT / (LOSS)			
Net Profit for the Year		3,379,361	3,253,661
Balance Brought Forward		5,838,786	4,267,053
TOTAL PROFIT/(LOSS)		9,218,147	7,520,714
IV. APPROPRIATIONS			
Transfer to Statutory Reserve		844,840	813,415
Transfer to Special Reserve		256,890	219,347
Transfer to Capital Reserve		179,125	54,792
Transfer to / (from) Investment Reserve		7,737	(10,221)
Transfer to Investment Fluctuation Reserve		-	386,450
Transfer from Revaluation Reserve		(69,899)	(60,566)
Dividend Paid including Dividend Distribution Tax		373,363	278,711
Balance carried over to Balance sheet		7,626,091	5,838,786
TOTAL		9,218,147	7,520,714
Earnings per share	17 (17)		
(i) Basic (₹)	18 (11.2)	10.90	10.53
(ii) Diluted (₹)	18 (11.2)	10.74	10.36
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.

As per our report of even date.

For and on behalf of the Board of Directors

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

Firm Registration Number: 117365W

Murali M. Natrajan

MD & CEO

Ashok Barat

Director

G.K. Subramaniam

Partner

Membership No. : 109839

Bharat Sampat

Chief Financial Officer

Rubi Chaturvedi

Company Secretary

Place : Mumbai

Date : May 23, 2020

Place : Mumbai

Date : May 23, 2020

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

		Year ended 31.03.2020 (₹ in 000's)	Year ended 31.03.2019 (₹ in 000's)
Cash Flow from Operating Activities			
Net Profit after tax for the year (Refer Profit and Loss Account)		3,379,361	3,253,661
Add: Provision for income tax (Refer Schedule 18 (12.1))		1,539,870	1,811,736
Net Profit before tax for the year		4,919,231	5,065,397
Adjustments for:			
Provisions for Advances		1,802,745	1,306,686
Provisions for Restructured Advances		21,881	(4,243)
Provision for Investments		(15,017)	21,216
Provision for Standard Assets		147,845	74,634
General Provision for COVID-19		630,000	-
Provision for Other Assets and Contingencies		2,153	(2,121)
Depreciation / Amortisation on Fixed Assets		511,393	441,843
Loss on Sale of Fixed Assets		7,127	2,687
Amortisation of Premium on Held-to-Maturity (HTM) Investments		258,914	176,165
Amortisation of Premium on Acquired Assets		7,345	11,669
ESOPs Compensation		(5)	646
Cash Flow from Operating Activities before adjustments		8,293,612	7,094,579
Adjustments for:			
Increase/(Decrease) in Deposits		19,348,145	44,282,514
Increase/(Decrease) in Other Liabilities & Provisions		(2,907,651)	294,461
(Increase)/Decrease in Investments		781,983	(16,448,716)
(Increase)/Decrease in Advances		(19,604,923)	(33,627,200)
(Increase)/Decrease in Other Assets		(2,424,633)	(2,290,423)
Refund/(Payment) of direct taxes (Including Tax Deducted at Source)		(1,779,560)	(2,118,607)
Net Cash Flow from / (used in) Operating activities	A	1,706,973	(2,813,392)
Cash flow from Investing activities			
Purchase of Fixed assets		(729,155)	(781,835)
Proceeds from sale of Fixed Assets		11,739	17,648
Net Cash Flow used in Investing activities	B	(717,416)	(764,187)

		Year ended 31.03.2020 (₹ in 000's)	Year ended 31.03.2019 (₹ in 000's)
Cash flow from Financing activities			
Proceeds from Issue of Capital (including ESOPs)		61,274	105,268
Proceeds from Borrowings		17,910,000	66,861,341
Repayment of Borrowings		(11,062,524)	(58,896,410)
Dividend and Dividend Tax Paid		(373,363)	(278,711)
Net Cash Flow from Financing activities	C	6,535,387	7,791,488
Net Increase in Cash & Cash Equivalents	A+B+C	7,524,944	4,213,909
Cash and cash equivalents at the beginning of the year		27,933,756	23,719,847
Cash and cash equivalents at the end of the year		35,458,700	27,933,756
Notes to the cash flow statement			
Cash and cash equivalents includes the following:			
Cash and balances with Reserve Bank of India (Refer Schedule 6)		10,297,983	13,172,175
Balances with Banks and Money at Call and Short notice (Refer Schedule 7)		25,160,717	14,761,581
Cash and Cash equivalents at the end of the year		35,458,700	27,933,756

As per our report of even date.

For and on behalf of the Board of Directors

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

Firm Registration Number: 117365W

Murali M. Natrajan

MD & CEO

Ashok Barat

Director

G.K. Subramaniam

Partner

Membership No. : 109839

Bharat Sampat

Chief Financial Officer

Rubi Chaturvedi

Company Secretary

Place : Mumbai

Date : May 23, 2020

Place : Mumbai

Date : May 23, 2020

SCHEDULE 1 - CAPITAL

	As on 31.03.2020 (₹ in 000's)	As on 31.03.2019 (₹ in 000's)
Authorised Capital		
500,000,000 (Previous year 500,000,000)	5,000,000	5,000,000
Equity Shares of ₹ 10/- each		
Issued, Subscribed and Paid up Capital*		
310,415,413 (as at March 31, 2019: 309,546,898)	3,104,154	3,095,469
Equity Shares of ₹ 10/- each		
TOTAL	3,104,154	3,095,469

* (During the year, 868,515 (Previous year: 1,462,015) 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 31.03.2020 (₹ in 000's)	As on 31.03.2019 (₹ in 000's)
I. Statutory Reserve		
Opening balance	4,638,307	3,824,892
Additions during the year	844,840	813,415
TOTAL(I)	5,483,147	4,638,307
II. Special Reserve		
Opening balance	642,599	423,252
Additions during the year	256,890	219,347
Deductions during the year	-	-
TOTAL(II)	899,489	642,599
III. Capital Reserve		
a) Revaluation Reserve		
Opening balance	2,443,793	2,504,359
Additions during the year	-	-
Deductions during the year (transferred to Balance in Profit & Loss Account)*	(69,899)	(60,566)
TOTAL (a)	2,373,894	2,443,793
b) Other Capital Reserve		
Opening balance	489,959	435,167
Additions during the year	179,125	54,792
Deductions during the year	-	-
TOTAL (b)	669,084	489,959
TOTAL (a + b) (III)	3,042,978	2,933,752
IV. Securities Premium		
Opening balance	13,598,655	13,508,007
Additions during the year	52,589	90,648
Deductions during the year	-	-
TOTAL(IV)	13,651,244	13,598,655

	As on 31.03.2020 (₹ in 000's)	As on 31.03.2019 (₹ in 000's)
V. Investment Reserve		
Opening balance	10,433	20,654
Additions during the year	7,737	-
Deductions during the year	-	(10,221)
TOTAL (V)	18,170	10,433
VI. Investment Fluctuation Reserve		
Opening balance	386,450	-
Additions during the year	-	386,450
Deductions during the year	-	-
TOTAL (VI)	386,450	386,450
VII. Balance in Profit and Loss Account	7,626,091	5,838,786
TOTAL (I to VII)	31,107,569	28,048,982

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

SCHEDULE 3 - DEPOSITS

	As on 31.03.2020 (₹ in 000's)	As on 31.03.2019 (₹ in 000's)
A I. Demand Deposits		
(i) From Banks	310,940	527,096
(ii) From Others	18,858,289	17,815,280
TOTAL(I)	19,169,229	18,342,376
II. Savings Bank Deposits	46,023,002	49,756,578
TOTAL(II)	46,023,002	49,756,578
III. Term Deposits		
(i) From Banks	40,516,881	43,363,433
(ii) From Others	197,990,175	172,888,755
TOTAL (III)	238,507,056	216,252,188
TOTAL (I,II and III)	303,699,287	284,351,142
B I. Deposits of branches in India	303,699,287	284,351,142
II. Deposits of branches outside India	-	-
TOTAL	303,699,287	284,351,142

SCHEDULE 4 - BORROWINGS

	As on 31.03.2020 (₹ in 000's)	As on 31.03.2019 (₹ in 000's)
I. Borrowings in India		
(i) Reserve Bank of India	410,000	-
(ii) Other Banks	-	200,000
(iii) Other Institutions and Agencies	26,803,512	20,166,036
(iv) Sub-Ordinated Debts	6,866,000	6,866,000
TOTAL (I)	34,079,512	27,232,036
II. Borrowings outside India	-	-
TOTAL (I & II)	34,079,512	27,232,036
Secured Borrowings included in I & II above	410,000	-

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

	As on 31.03.2020 (₹ in 000's)	As on 31.03.2019 (₹ in 000's)
I. Bills Payable	3,078,819	5,434,783
II. Inter Office Adjustments (Net)	-	-
III. Interest Accrued (Net of TDS recoverable)	4,414,544	4,019,658
IV. Others		
(i) Provision for Standard Assets *	1,748,968	971,123
(ii) Other Liabilities (including provisions)**	3,808,760	4,753,571
TOTAL	13,051,091	15,179,135

* includes provision for unhedged foreign currency exposure, provision on specific standard assets and general provision for COVID-19. Refer Schedule 18 (5.19) (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 31.03.2020 (₹ in 000's)	As on 31.03.2019 (₹ in 000's)
I. Cash in hand	2,218,117	2,446,337
(including foreign currency notes)		
II. Balances with Reserve Bank of India		
(i) In Current Accounts	8,079,866	10,725,838
(ii) In Other Accounts	-	-
TOTAL (II)	8,079,866	10,725,838
TOTAL (I & II)	10,297,983	13,172,175

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

	As on 31.03.2020 (₹ in 000's)	As on 31.03.2019 (₹ in 000's)
I. In India		
i. Balance with Banks		
(a) In Current Accounts*	782,485	206,066
(b) In Other Deposit Accounts	1,839	1,749
* includes funds in transit amounting to ₹ 0.72 crore (Previous Year : ₹ 1.77 crore)		
TOTAL	784,324	207,815
ii. Money at Call and Short Notice		
(a) With Banks	24,150,000	12,000,000
(b) With Other Institutions	-	500,000
TOTAL	24,150,000	12,500,000
TOTAL (I)	24,934,324	12,707,815
II. Outside India		
(i) In Current Accounts	176,454	113,277
(ii) In Other Deposit Accounts	49,939	1,940,489
(iii) Money at Call and Short Notice	-	-
TOTAL (II)	226,393	2,053,766
TOTAL (I & II)	25,160,717	14,761,581

SCHEDULE 8 - INVESTMENTS

	As on 31.03.2020 (₹ in 000's)	As on 31.03.2019 (₹ in 000's)
I. Investments in India		
Net Investments in :-		
(i) Government Securities	61,363,139	60,007,114
(ii) Other Approved Securities	-	-
(iii) Shares	172,360	182,544
(iv) Debentures and Bonds	150,158	347,694
(v) Subsidiaries and/or Joint Ventures	-	-
(vi) Other Investments :		
(a) Certificate of Deposits/Commercial Paper	-	-
(b) Units of Mutual Funds	16,500	5,000
(c) Pass Through Certificates	15,242,102	17,555,018
(d) Security Receipts*	470,768	343,539
TOTAL (I)	77,415,027	78,440,909
II. Investments in India		
i. Gross Value	77,523,539	78,564,438
ii. Provision for Depreciation	(108,512)	(123,529)
TOTAL (II)	77,415,027	78,440,909
III. Investments outside India		
(i) Government Securities	-	-
(ii) Subsidiaries and/or Joint Ventures	-	-
(iii) Other Investments	-	-
TOTAL (III)	-	-

* Refer Schedule 18 (5.16 and 5.17) (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 31.03.2020 (₹ in 000's)	As on 31.03.2019 (₹ in 000's)
I. (i) Bills Purchased and Discounted	1,092,846	1,899,168
(ii) Cash credits, Overdrafts and Loans repayable on demand	51,094,963	49,527,995
(iii) Term Loans	201,265,114	184,252,809
TOTAL (I)	253,452,923	235,679,972
II. (i) Secured by tangible assets*	241,106,139	227,372,127
(ii) Covered by Bank / Government Guarantees	-	-
(iii) Unsecured	12,346,784	8,307,845
*Includes Advances against Book Debts		
TOTAL (II)	253,452,923	235,679,972
III (a) Advances in India		
(i) Priority Sectors	141,291,800	134,063,534
(ii) Public Sector	39,734	53,706
(iii) Banks	-	4,958
(iv) Others	112,121,389	101,557,774
TOTAL	253,452,923	235,679,972
III (b) Advances outside India	-	-
TOTAL (III)	253,452,923	235,679,972

Advances are net of provisions

SCHEDULE 10 - FIXED ASSETS

	As on 31.03.2020 (₹ in 000's)	As on 31.03.2019 (₹ in 000's)
I. Premises (Gross Block including Revaluation)		
(i) As at 31 March of the preceding year	4,771,463	4,539,627
(ii) Additions during the year	346,035	244,154
(iii) Deductions during the year	(6,702)	(12,318)
Total	5,110,796	4,771,463
Depreciation to date (including on Revaluation)		
(i) As at 31 March of the preceding year	590,564	487,157
(ii) Charge for the year	118,145	105,311
(iii) On deductions during the year	(4,970)	(1,904)
Total	703,739	590,564
Net Block	4,407,057	4,180,899
II. Other Fixed Assets (Gross Block including Furniture & Fixtures)*		
(i) As at 31 March of the preceding year	3,442,026	2,947,028
(ii) Additions during the year	383,120	537,681
(iii) Deductions during the year	(83,161)	(42,683)
Total	3,741,985	3,442,026

	As on 31.03.2020 (₹ in 000's)	As on 31.03.2019 (₹ in 000's)
Depreciation to date		
(i) As at 31 March of the preceding year	2,363,093	2,059,322
(ii) Charge for the year	393,248	336,532
(iii) On deductions during the year	(66,027)	(32,761)
Total	2,690,314	2,363,093
Net Block	1,051,671	1,078,933
TOTAL (I+II)	5,458,728	5,259,832

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

SCHEDULE 11 - OTHER ASSETS

	As on 31.03.2020 (₹ in 000's)	As on 31.03.2019 (₹ in 000's)
I. Inter-Office Adjustments (Net)	-	-
II. Interest accrued	1,414,539	1,317,464
III. Tax paid in Advance/Tax deducted at Source (Net of provision)	559,344	366,828
IV. Stationery and Stamps	4,170	5,027
V. Non-Banking Assets acquired in satisfaction of claims (Net)	-	-
VI. Deferred Tax Assets (Net)*	933,597	886,422
VII. Others	10,354,379	8,028,115
TOTAL	13,266,029	10,603,856

* Refer Schedule 18 (11.6) (Deferred Tax)

SCHEDULE 12 - CONTINGENT LIABILITIES

	As on 31.03.2020 (₹ in 000's)	As on 31.03.2019 (₹ in 000's)
I. Claims against the Bank not acknowledged as debts	438,378	438,608
II. Liability for partly paid investments	-	-
III. Liability on account of outstanding forward exchange and derivative contracts		
(a) Forward Contracts	7,412,390	5,940,539
(b) Interest Rate Swaps and Currency Swaps	-	-
(c) Foreign Currency Options	-	-
IV. Guarantees given on behalf of constituents		
(a) In India	11,192,792	11,545,902
(b) Outside India	2,460,713	620,169
V. Acceptances, Endorsements and other obligations	2,236,090	2,932,842
VI. Other items for which the Bank is contingently liable*	24,407,097	10,381,219
TOTAL	48,147,460	31,859,279

* includes

- i) ₹ 2,315 crore of lending under RBI Liquidity Adjustment Facility outstanding as at March 31, 2020 (Previous Year : ₹ 950 crore as on March 31, 2019) as per RBI circular FMRD.DIRD. 10/14.03.002/2015-16.
- ii) ₹ 45.17 crore (Previous year: ₹ 37.65 crore) being amount transferred to DEAF Cell, RBI and outstanding, as per RBI circular DBOD.No.DEAF Cell.BC.114/30.01.002/2013-14. Refer Schedule 18 (12.4) (Depositor Education and Awareness Fund (DEAF)).
- iii) ₹ 23.12 crore (Previous Year : ₹ 34.87) includes capital commitment towards upgrade of software, unpaid commitment towards new premises and undrawn amount of Alternative Investment Fund.

SCHEDULE 13 - INTEREST EARNED

	Year Ended 31.03.2020 (₹ in 000's)	Year Ended 31.03.2019 (₹ in 000's)
I. Interest/Discount on Advances/Bills	28,431,889	24,478,589
II. Income on Investments	6,227,931	5,354,265
III. Interest on Balance with Reserve Bank of India and other Inter Bank Funds	370,808	306,735
IV. Others	335,701	275,291
TOTAL	35,366,329	30,414,880

SCHEDULE 14 - OTHER INCOME

	Year Ended 31.03.2020 (₹ in 000's)	Year Ended 31.03.2019 (₹ in 000's)
I. Commission, Exchange and Brokerage	2,412,079	2,399,299
II. Profit/(Loss) on sale of Investments (Net)	652,662	386,450
III. Profit/(Loss) on revaluation of Investments (Net)	-	-
IV. Profit/(Loss) on sale of Land, Buildings and Other Assets (Net)	(7,127)	(2,687)
V. Profit/(Loss) on Exchange Transactions (Net)	192,119	215,883
VI. Income earned by way of Dividends, etc. from Subsidiaries, Companies and/or Joint Ventures abroad/in India	-	-
VII. Miscellaneous Income (Includes recoveries from bad debts written off in earlier years)	661,187	502,644
TOTAL	3,910,920	3,501,589

SCHEDULE 15 - INTEREST EXPENDED

	Year Ended 31.03.2020 (₹ in 000's)	Year Ended 31.03.2019 (₹ in 000's)
I. Interest on Deposits	20,228,925	17,093,400
II. Interest on Reserve Bank of India/Inter-Bank Borrowings	686,611	695,259
III. Other Interest	1,801,650	1,133,296
TOTAL	22,717,186	18,921,955

SCHEDULE 16 - OPERATING EXPENSES

	Year Ended 31.03.2020 (₹ in 000's)	Year Ended 31.03.2019 (₹ in 000's)
I. Payments to and Provisions for Employees	4,587,981	4,339,880
II. Rent, Taxes and Lighting	919,214	844,989
III. Printing and Stationery	77,306	97,731
IV. Advertisement and Publicity	28,179	15,196
V. Depreciation on Bank's property	511,393	441,843
VI. Directors' Fees, Allowances and Expenses	15,482	13,637
VII. Auditors' Fees and Expenses	9,600	9,231
VIII. Law Charges	118,474	102,060
IX. Postages, Telegrams, Telephones, etc.	144,864	171,625
X. Repairs and Maintenance	230,769	200,143
XI. Insurance	268,171	215,661
XII. Other Expenditure*	2,118,012	2,076,517
TOTAL	9,029,445	8,528,513

* includes an amount of ₹ 7.77 crore (Previous year : ₹ 3.87 crore) being Corporate Social Responsibility Expenditure as per requirement of Section 135 of the Companies Act, 2013 (Refer Note 18 (13.2) (Corporate Social Responsibility)).

SCHEDULE 17 – SIGNIFICANT ACCOUNTING POLICIES

1. BACKGROUND

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

2. BASIS OF PREPARATION

The financial statements have been prepared and presented under the historical cost convention and on the accrual basis of accounting unless otherwise stated, and comply with the Generally Accepted Accounting Principles in India (“GAAP”), statutory requirements prescribed under the Banking Regulation Act, 1949, circulars and guidelines issued by the Reserve Bank of India (the “RBI”) from time to time and the Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Accounting Standards) Rules, 2006, as amended, to the extent applicable and the current practices prevailing within the banking industry in India.

3. USE OF ESTIMATES

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

4. INVESTMENTS

4.1 Classification:

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

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

4.2 Basis of Classification:

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

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

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

4.3 Transfer of Securities between Categories:

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

4.4 Acquisition Cost:

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

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

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

4.5 Valuation:

Held for Trading and Available for Sale categories:

Investments classified under HFT and AFS are marked to market as per the RBI guidelines. These securities are valued scrip-wise and any resultant depreciation or appreciation is aggregated for each category. The net depreciation for each

category within each group is provided for, whereas the net appreciation for each category is ignored. The book value of individual securities is not changed consequent to periodic valuation of investments.

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

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

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

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

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

Held to Maturity:

These are carried at their acquisition cost and are not marked to market. Any premium on acquisition is amortised over the remaining maturity period of the security on a straight-line basis. Provision is recognised for diminution other than temporary in the value of such investments for each investment individually.

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

4.6 Security Receipts (SR):

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, where interest and/or installment of principal has remained overdue for more than 90 days, is classified as non-performing asset. However, in respect of Equated Monthly Instalment ('EMI') based advances, those accounts where more than 3 EMIs are overdue are classified as NPAs.
- 5.4 In case of NPAs other than retail EMI loans, recoveries effected are first adjusted towards the principal amount. In case of retail EMI loans, recoveries effected are adjusted towards the EMI and within the EMI first towards the principal amount.
- 5.5 Provision for non-performing advances ('NPAs') comprising sub-standard, doubtful and loss assets is made in accordance with the RBI guidelines which prescribe minimum provision levels and encourage banks to make a higher provision based on sound commercial judgement. NPAs are identified by periodic appraisals of the loan portfolio by the management. In respect of identified NPAs in Retail portfolio, provision is recognised on the homogeneous retail loans and advances assessed at borrower level on the basis of ageing of loans in the non-performing category and in respect of identified NPAs in other cases, provision is recognised account by account. The provisioning done is at or higher than the minimum rate prescribed under the RBI guidelines.
- 5.6 In case of restructured/rescheduled assets, provision is made in accordance with the guidelines issued by the RBI, which require the diminution in the fair value of the assets to be provided in the Profit and Loss Account at the time of restructuring.
- 5.7 In addition to the above, the Bank, on a prudent basis, recognises provisions on advances or exposures which are performing assets as per the IRAC norms, but has reasons to believe on the basis of the extant environment impacting a specific exposure or any specific information, the possible deterioration of a specific advance or a group of advances or exposures or potential exposures. These provisions are recognised as per Board approved policy and are classified as Provision for Specific Standard Assets, included under Provision for Standard Assets and reported under Other Liabilities. These provisions are not reversed to the Profit and Loss Account but are transferred as provision on the same specific advance / exposure in case the asset slips into non-performing asset, except in case of full repayment of the exposure when such provision will be reversed and recognised in the Profit and Loss Account.
- 5.8 The Bank maintains general provision for Standard Assets, including credit exposures computed as per the current marked to market values of foreign exchange forward contracts, at levels stipulated by the RBI from time to time. These provisions on Standard Assets are included under Other Liabilities.
- 5.9 The Bank estimates the inherent risk of the unhedged foreign currency exposures of its borrowers as per the regulatory guidelines stipulated by the RBI from time to time and recognises incremental provisions on exposures to such entities as per methodology prescribed. These provisions are included in Provision for Standard Assets and reported under Other Liabilities.
- 5.10 The RBI guidelines further permit banks to create floating provisions on Advances up to levels as per a Board approved policy over and above the regulatory provisions required on standard assets. These floating provisions are netted from Advances. These provisions are not reversed by credit to the Profit and Loss Account without prior approvals of the Board and the RBI under specific circumstances.

6. FIXED ASSETS

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

7. REVALUATION OF FIXED ASSETS

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

8. DEPRECIATION & AMORTISATION

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

- ♦ Computer: Desktop and Laptop – 3 years.
- ♦ Hardware and Servers - 5 years
- ♦ 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.

Assets individually costing upto ₹ 5,000/- are depreciated fully over a period of one year from the date of purchase.

9. IMPAIRMENT OF ASSETS

The carrying amount of assets is reviewed at each Balance Sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the asset over remaining useful life.

10. RECOGNITION OF INCOME AND EXPENDITURE

- 10.1 Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Bank and the revenue can be reliably measured.
- 10.2 Items of income and expenditure are generally accounted on accrual basis.
- 10.3 Interest income is recognised in the Profit and Loss Account on accrual basis as per Accounting Standard, except in the case of non-performing assets where it is recognised on receipt basis as per the RBI norms.
- 10.4 Interest income on investments in Pass Through Certificates (PTC) is recognised at the coupon rate, net of tax on distributed income.

- 10.5 Interest income on loans bought out through the direct assignment route is recognised at the effective interest rate i.e. after amortising premium, if any, on the bought out portfolio as per Guidelines on Securitised Transactions issued by the RBI.
- 10.6 Processing fees on loans are recognised as income 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 intrinsic value method. Deferred compensation expense is amortised over the vesting period of the option.

17. EARNINGS PER SHARE

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

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

18. SHARE ISSUE EXPENSES

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

19. CASH AND CASH EQUIVALENTS

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

20. LEASES

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

21. SEGMENT REPORTING

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

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

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

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

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

SCHEDULE 18 - NOTES TO ACCOUNTS**1 CAPITAL****1.1 Capital to Risk-weighted Assets Ratio (CRAR)**

(₹ in crore)

Particulars	As per Basel III framework	
	As at March 31, 2020	As at March 31, 2019
i. Tier 1 Capital	3,251.13	2,904.19
ii. Tier 2 Capital	901.96	823.40
iii. Total Capital	4,153.09	3,727.59
iv. Total Risk Weighted Assets	23,393.56	22,174.66
v. Common Equity Tier 1 Capital Ratio (%)	13.90%	13.10%
vi. Tier 1 Capital Ratio (%)	13.90%	13.10%
vii. Tier 2 Capital Ratio (%)	3.85%	3.71%
viii. Total Capital Ratio (CRAR) (%)	17.75%	16.81%
ix. Percentage of shareholding of the Government of India in public sector banks	N.A	N.A
x. Amount of equity capital raised-		
Share Capital:	0.87	1.46
Securities Premium:	5.26	9.06
xi. Amount of Additional Tier 1 capital raised; of which-		
Perpetual Non-Cumulative Preference Shares (PNCPS):	-	-
Perpetual Debt Instruments (PDI):	-	-
xii. Amount of Tier 2 capital raised; of which-		
Debt capital instrument:	-	-
Preference Share Capital Instruments: [Perpetual Cumulative Preference Shares (PCPS) / Redeemable Non-Cumulative Preference Shares (RNCPS) / Redeemable Cumulative Preference Shares (RCPS)]	-	-

2 SUB-ORDINATED DEBT THROUGH PRIVATE PLACEMENT OF BONDS

The details of total outstanding subordinated debt are given below:

(₹ in crore)

Deemed Date of Allotment	Coupon Rate (% p.a.)	Tenure (in months)	Equivalent Amount as on March 31, 2020	Equivalent Amount as on March 31, 2019
March 31, 2016	10.25	121	86.60	86.60
November 18, 2016	9.85	120	150.00	150.00
November 17, 2017	9.85	120	300.00	300.00
January 12, 2018	9.85	120	150.00	150.00
			686.60	686.60

3 INVESTMENTS

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

(₹ in crore)

Particulars	March 31, 2020	March 31, 2019
1. Value of Investments:		
(i) Gross Value of Investments		
a. In India	7,752.35	7,856.44
b. Outside India	-	-
(ii) Provisions for Depreciation		
a. In India	10.85	12.35
b. Outside India	-	-
(iii) Net Value of Investments		
a. In India	7,741.50	7,844.09
b. Outside India	-	-
2. Movement of provision held towards depreciation on investments:		
(i) Opening balance	12.35	10.23
(ii) Add: Provision made during the year	3.46	8.20
(iii) Less: Write-off/ write-back of excess provision during the year	4.96	6.08
(iv) Closing balance	10.85	12.35

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

Category	As at March 31, 2020		As at March 31, 2019	
	₹ in crore	%	₹ in crore	%
Held to Maturity	6,136.31	79.27	5,707.07	72.76
Held for Trading	0.00	0.00	0.00	0.00
Available for Sale	1,605.19	20.73	2,137.02	27.24
Total	7,741.50	100.00	7,844.09	100.00

3.3 Repo Transactions

Financial Year 2019-20

(₹ in crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Balance as at March 31, 2020
Securities Sold under Repos *	-	125.74	32.23	41.00
(i) Government Securities	-	125.74	32.23	41.00
(ii) Corporate debt Securities	-	-	-	-
(iii) Any other Securities	-	-	-	-
Securities purchased under Reverse Repos *	64.00	2,315.00	574.53	2,315.00
(i) Government Securities	64.00	2,315.00	574.53	2,315.00
(ii) Corporate debt Securities	-	-	-	-
(iii) Any other Securities	-	-	-	-

* including securities sold and purchased under LAF.

Financial Year 2018-19

(₹ in crore)

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

* including securities sold and purchased under LAF.

3.4 Non-SLR Investments Portfolio - Issuer Composition of Non-SLR Investments

Balances as at March 31, 2020

(₹ 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	26.69	11.65	-	-	11.65
3.	Banks	-	-	-	-	-
4.	Private Corporates	16.68	16.68	-	-	8.85
5.	Subsidiaries/ Joint Ventures	-	-	-	-	-
6.	Others**	1,572.67	-	-	-	-
7.	Provision held towards Depreciation	(10.85)	-	-	-	-
	Total	1,605.19	28.33	-	-	20.50

* 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, 2019

(₹ in crore)

Sr. No.	Issuer	Amount	Extent of Private Placement**	Extent of below Investment Grade Securities#	Extent of Unrated Securities#	Extent of Unlisted Securities**
1.	PSUs	9.91	-	-	-	-
2.	FIs	35.59	10.50	-	-	10.50
3.	Banks	-	-	-	-	-
4.	Private Corporates	16.68	16.68	-	-	8.85
5.	Subsidiaries/ Joint Ventures	-	-	-	-	-
6.	Others**	1,793.55	-	-	-	-
7.	Provision held towards Depreciation	(12.35)	-	-	-	-
	Total	1,843.38	27.18	-	-	19.35

* excludes investment in pass through certificates and security receipts.

** includes investments in pass through certificates and security receipts.

Amounts reported under these columns above are not mutually exclusive.

3.5 Non-Performing Non-SLR Investments

(₹ in crore)

Particulars	March 31, 2020	March 31, 2019
Opening Balance	-	-
Additions during the year	-	14.69
Reductions during the year	-	14.69
Closing Balance	-	-
Total provisions held	-	-

3.6 Sale and Transfers to / from HTM Category

During the years ended March 31, 2020 and March 31, 2019, the Bank has not sold and transferred securities to or from HTM category exceeding 5% of the book value of investment held in HTM category at the beginning of the year. The 5% threshold referred to above does not include one-time transfer of securities to/from HTM category with the approval of Board of Directors permitted to be undertaken by banks as per the extant RBI guidelines, sale of securities under pre-announced Open Market Operation (OMO) auction to the RBI and sale of securities or transfer to AFS / HFT consequent to the reduction of ceiling on SLR securities under HTM.

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

(₹ in crore)

Particulars	March 31, 2020	March 31, 2019
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, 2020	March 31, 2019
i.	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)	1,122.66	862.63
ii.	Notional principal amount of exchange traded interest rate derivatives outstanding (instrument-wise)	NIL	NIL
iii.	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	NIL	NIL
iv.	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	NIL	NIL

4.3 Disclosures on risk exposure in derivatives:**a) Qualitative Disclosures****Management of Risk in Derivatives Trading**

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

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

Policies for Hedging Risk

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

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

The MTM position on all outstanding trades of individual corporate customers is reported on a monthly basis to Credit Risk department for exposure monitoring.

Provisioning

The Bank conforms to the RBI guidelines with regard to provisioning requirements. Overdue receivables representing crystallised positive mark-to-market value of a derivative contract are treated as non-performing assets, if these remain unpaid for 90 days or more. Full provision is made for the entire amount of overdue and future receivables relating to positive marked to market value of non-performing derivative contracts.

b) Quantitative Disclosures

(₹ in crore)

Sr. No	Particulars	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
		March 31, 2020	March 31, 2020	March 31, 2019	March 31, 2019
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	0.07	NIL	0.09
	Minimum	NIL	0.00	NIL	0.00

Notes:

- Foreign exchange forward contracts have not been included in the above disclosure.
- The notional principal amount of forward exchange contracts classified as Hedging and Trading amounted to ₹ 741.24 crore (Previous year: ₹ 594.05 crore).

5 ASSET QUALITY

5.1 Non-Performing Assets (NPAs)

(₹ in crore)

Particulars	March 31, 2020	March 31, 2019
(i) Net NPAs to Net Advances (%)	1.16%	0.65%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	439.48	369.03
(b) Additions during the year	664.05	420.47
(c) Reductions during the year	472.02	350.02
(d) Closing balance	631.51	439.48
(iii) Movement of Net NPAs		
(a) Opening balance	153.77	146.72
(b) Additions during the year ^{1,2}	404.96	220.27
(c) Reductions during the year ³	265.22	213.22
(d) Closing balance	293.51	153.77
(iv) Movement of provisions for NPAs (excluding provision on Standard Assets)		
(a) Opening balance	285.71	221.64
(b) Provisions made during the year ⁴	258.21	200.20
(c) Write-off/ write-back of excess provisions	206.80	136.13
(d) Closing balance	337.12	285.71

Notes:

1. Includes interest capitalisation of ₹ 0.88 crore (Previous year: ₹ NIL).
2. Includes addition to NPAs net off provisions on such NPAs and additional provision on existing NPAs.
3. Includes interest capitalisation of ₹ NIL (Previous year: ₹ 0.67 crore).
4. Includes floating provision of ₹ 18.04 crore (Previous year: ₹ 21.48 crore).

5.2 Movement of Gross NPAs

(₹ in crore)

Particulars	March 31, 2020	March 31, 2019
Opening balance of Gross NPAs	439.48	369.03
Additions during the year ¹	664.05	420.47
Sub-total (A)	1,103.53	789.50
Less:		
i. Upgradations	179.24	161.07
ii. Recoveries (excluding recoveries made from upgraded accounts) ²	172.54	122.16
iii. Technical/Prudential Write-offs	96.12	64.61
iv. Write-offs other than those under (iii) above	24.12	2.18
Sub-total (B)	472.02	350.02
Closing balance of Gross NPAs (A-B)	631.51	439.48

1. Includes fresh NPAs during the year.
2. Includes recoveries of ₹ 38.47 crore (Previous year: ₹ NIL) from NPAs sold to asset reconstruction company.

5.3 Movement of Technical/Prudential write-offs

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

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

(₹ in crore)

Particulars	March 31, 2020	March 31, 2019
Opening balance of Technical/Prudential Written off accounts	284.69	235.23
Add : Technical/Prudential write-offs during the year	96.12	64.61
Sub-total (A)	380.81	299.84
Less : Recovery /Sacrifice made from previously technical /prudential written-off accounts during the year (B)	6.63	15.15
Closing balance of Technical/Prudential Written off accounts (A-B)	374.18	284.69

5.4 Concentration of NPAs

(₹ in crore)

Particulars	March 31, 2020	March 31, 2019
Total Exposure to top four NPA accounts *	60.38	19.00

* NPAs are taken on net basis.

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

5.5 Divergence in the asset classification and provisioning

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

5.6 Intra Group Exposure

(₹ in crore)

Particulars	March 31, 2020	March 31, 2019
Total amount of intra-group exposure	NIL	NIL
Total amount of top-20 intra-group exposure	NIL	NIL
Percentage of intra group exposure to total exposure of the Bank on borrower/ customer	NIL	NIL
Details of breach of limit on intra group exposure and regulatory action thereon, if any	NIL	NIL

5.7 Sector-wise Advances

Financial Year 2019-20

(₹ in crore)

Sr. No.	Sector	March 31, 2020		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A	Priority Sector			
1	Agriculture and allied activities	2,431.76	69.15	2.84%
2	Industry of which-	1,727.30	62.88	3.64%
	Textiles	555.43	7.23	1.30%
	Constructions	197.33	4.04	2.05%
	Food Processing	172.72	14.99	8.68%
3	Services of which-	8,074.00	258.42	3.20%
	Retail Trade	2,759.31	65.73	2.38%
	Transport Operators	1,935.92	111.02	5.73%
	Wholesale Trade	1,864.69	60.13	3.22%
4	Personal loans of which-	2,123.79	41.19	1.94%
	Housing Loans	2,102.47	40.99	1.95%
	Sub-total (A) (1+2+3+4)	14,356.85	431.64	3.01%
B	Non Priority Sector			
1	Agriculture and allied activities	88.75	2.08	2.35%
2	Industry of which-	2,543.88	73.05	2.87%
	Constructions	961.14	0.98	0.10%
	All Engineering	314.15	9.85	3.13%
3	Services of which-	4,605.93	55.17	1.20%
	Retail Trade	1,044.21	15.99	1.53%
	NBFC	959.37	-	0.00%
	Professional Services	557.27	4.35	0.78%
	Wholesale Trade	463.04	9.80	2.12%
4	Personal loans	4,094.17	69.57	1.70%
	Housing Loans	2,768.96	45.68	1.65%
	Sub-total (B) (1+2+3+4)	11,332.73	199.87	1.76%
	Total (A+B)	25,689.58	631.51	2.46%

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

Financial Year 2018-19

(₹ in crore)

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

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

5.8 RESTRUCTURED ACCOUNTS
Details of restructured accounts as of March 31, 2020

(₹ in crore)

Sr. No.	Type of Restructuring	Under CDR Mechanism				Under SME Debt Restructuring Mechanism				Others				Total			
		Standard	Sub-Standard	Doubtful	Total	Standard	Sub-Standard	Doubtful	Total	Standard	Sub-Standard	Doubtful	Total	Standard	Sub-Standard	Doubtful	Total
1	Restructured Accounts as on April 01, 2019	-	-	-	-	-	-	-	-	20	29	43	92	20	29	43	92
	No. of borrowers	-	-	-	-	-	-	-	-	20	29	43	92	20	29	43	92
	Amount outstanding	-	-	-	-	-	-	-	-	36.97	4.35	36.92	78.24	36.97	4.35	36.92	78.24
	Provision thereon	-	-	-	-	-	-	-	-	16.13	1.15	32.44	49.72	16.13	1.15	32.44	49.72
2	Fresh restructuring during the FY ¹	-	-	-	-	-	-	-	-	1,148	182	59	1,389	1,148	182	59	1,389
	No. of borrowers	-	-	-	-	-	-	-	-	1,148	182	59	1,389	1,148	182	59	1,389
	Amount outstanding	-	-	-	-	-	-	-	-	241.30	36.57	51.12	328.99	241.30	36.57	51.12	328.99
	Provision thereon	-	-	-	-	-	-	-	-	8.69	9.95	17.96	36.60	8.69	9.95	17.96	36.60
3	Upgradations to restructured standard category during the FY	-	-	-	-	-	-	-	-	19	(4)	(15)	-	19	(4)	(15)	-
	No. of borrowers	-	-	-	-	-	-	-	-	19	(4)	(15)	-	19	(4)	(15)	-
	Amount outstanding	-	-	-	-	-	-	-	-	3.78	(0.72)	(3.06)	0.00	3.78	(0.72)	(3.06)	0.00
	Provision thereon	-	-	-	-	-	-	-	-	1.81	(0.18)	(1.63)	0.00	1.81	(0.18)	(1.63)	0.00
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	-	-	-	-	-	-	-	-	(5)	(15)	20	-	(5)	(15)	20	-
	No. of borrowers	-	-	-	-	-	-	-	-	(5)	(15)	20	-	(5)	(15)	20	-
	Amount outstanding	-	-	-	-	-	-	-	-	(2.06)	(0.97)	3.03	0.00	(2.06)	(0.97)	3.03	0.00
	Provision thereon	-	-	-	-	-	-	-	-	(0.90)	0.07	0.83	0.00	(0.90)	0.07	0.83	0.00
6	Write-offs of restructured accounts during the FY ²	-	-	-	-	-	-	-	-	1	5	4	10	1	5	4	10
	No. of borrowers	-	-	-	-	-	-	-	-	1	5	4	10	1	5	4	10
	Amount outstanding	-	-	-	-	-	-	-	-	10.25	1.67	29.84	41.76	10.25	1.67	29.84	41.76
	Provision thereon	-	-	-	-	-	-	-	-	1,181	187	103	1,471	1,181	187	103	1,471
7	Restructured Accounts as on March 31, 2020 ³	-	-	-	-	-	-	-	-	269.74	37.56	58.17	365.47	269.74	37.56	58.17	365.47
	No. of borrowers	-	-	-	-	-	-	-	-	269.74	37.56	58.17	365.47	269.74	37.56	58.17	365.47
	Amount outstanding	-	-	-	-	-	-	-	-	20.36	10.59	21.44	52.39	20.36	10.59	21.44	52.39
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

- Includes ₹ 0.01 crore due to increase in outstanding balance in respect of 2 account and increase in provisions amounting to ₹ 1.41 crore in respect of 35 accounts.
- Includes ₹ 11.63 crore due to reduction in outstanding balance in respect of 68 accounts and sold to assets reconstruction company ₹ 2.15 crore in respect to 1 account. Recovery and closure of ₹ 0.98 crore in respect of 8 account.
- In respect of these accounts, besides the provision as disclosed above, the Bank holds increased standard assets provision of ₹ 12.88 crore which has been included and reported under Provision on Standard Assets (Refer note 5.19)

Details of restructured accounts as of March 31, 2019

(₹ in crore)

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

1. Includes ₹ 15.51 crore due to increase in provisions in respect of 6 existing accounts.

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

5.9 Disclosures on the scheme for sustainable Structuring of Stressed Assets (S4A), as at March 31, 2020

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

5.10 Disclosures on Flexible Structuring of Existing Loans

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

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

(₹ in crore)

Particulars	March 31, 2020	March 31, 2019
Number of borrowers where SDR has been invoked	NIL	NIL
Gross amount outstanding		
- Standard	NIL	NIL
- NPA	NIL	NIL
Gross amount outstanding for borrowers where conversion of debt to equity is pending		
- Standard	NIL	NIL
- NPA	NIL	NIL
Gross amount outstanding for borrowers where conversion of debt to equity has taken place		
- Standard	NIL	NIL
- NPA	NIL	NIL

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

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

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

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

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

(₹ in crore)

Particulars	March 31, 2020	March 31, 2019
1. No. of accounts restructured*	1,148	NIL
2. Amount outstanding	238.10	NIL

* represents number of borrowers.

5.15 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, 2020
1. Amounts in SMA/overdue categories, where the moratorium/deferment was extended	1,908.08
2. Amount where asset classification benefits is extended	89.33
3. Provision made	9.00

The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities.

The RBI on March 27, 2020 and April 17, 2020, announced 'COVID-19 Regulatory Package' on asset classification and provisioning. In terms of the RBI guidelines, the lending institutions have been permitted to grant a moratorium of three months on payment of all instalments/interest as applicable, falling due between March 1, 2020 and May 31, 2020 ('Moratorium Period'). As such, in respect of all accounts classified as Standard as on February 29, 2020, even if overdue, the moratorium period, wherever granted, shall be excluded by the lending institutions from the number of days past-due for the purpose of asset classification under RBI's Income Recognition and Asset Classification norms.

As at March 31, 2020, based on available information, the Bank holds provision amounting to ₹ 63 crore against accounts covered under COVID-19 Regulatory Package, which is considered to be adequate. This includes ₹ 9 crore in respect of accounts for which the moratorium has been offered and asset quality benefit has been extended, being entire 10% provision prescribed for such accounts.

On May 22, 2020, the RBI has announced extension of the Moratorium Period by further three months. The extent to which the COVID-19 pandemic will impact the Bank's provision on assets and future results will depend on future developments, which are highly uncertain and the Bank will continue to closely monitor the same.

5.16 Details of financial assets (including written off accounts) sold to Securitisation / Reconstruction Company for Asset Reconstruction

The Bank has sold certain assets to an asset reconstruction company (ARC) in terms of the guidelines issued by the RBI. The details of the assets sold are given in the table below:

(₹ in crore)

Particulars	March 31, 2020	March 31, 2019
(i) No. of accounts	134	NIL
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC	29.57	NIL
(iii) Aggregate consideration	38.47	NIL
(iv) Additional consideration realised in respect of accounts transferred in earlier years	-	NIL
(v) Aggregate gain/(loss) over net book value	8.90	NIL

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

5.17 Details of investment in security receipts (SRs)

Details of investment in security receipts as at March 31, 2020 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	45.51	2.94	-
Provision held against (i)	1.37	-	-
(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)	45.51	2.94	-

Details of investment in security receipts as at March 31, 2019 are set out below:

(₹ in crore)

Particulars	SRs issued within past 5 years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years ago
(i) Book value of SRs backed by NPAs sold by the bank as underlying	38.05	-	-
Provision held against (i)	3.69	-	-
(ii) Book value of SRs backed by NPAs sold by other banks/financial institutions/non-banking financial companies as underlying	-	-	-
Provision held against (ii)	-	-	-
Total (i + ii)	38.05	-	-

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

(₹ in crore)

Particulars	March 31, 2020	March 31, 2019
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, 2020	March 31, 2019
1. No. of accounts sold during the year	NIL	NIL
2. Aggregate outstanding	NIL	NIL
3. Aggregate consideration received	NIL	NIL

5.19 Provisions on Standard Assets

(₹ in crore)

Particulars	March 31, 2020	March 31, 2019
Provision for Standard Assets	98.34	82.77
General provision for COVID-19	63.00	-
Provision for Unhedged Foreign Currency Exposure of borrowers	2.75	2.75
Provision for Specific Standard Assets	10.81	11.59
Total (Refer Schedule 5-IV(i) – Other Liabilities and Provisions)	174.90	97.11

6 BUSINESS RATIOS

Particulars	March 31, 2020	March 31, 2019
Interest Income as a percentage to Working Funds (%) ¹	9.47	9.27
Non-Interest Income as a percentage to Working Funds (%) ¹	1.05	1.07
Operating Profit as a percentage to Working Funds (%) ^{1,2}	2.02	1.97
Return on Assets (%) ³	0.90	0.99
Business per employee (₹ in crore) ^{4,5}	8.04	7.92
Profit after tax per employee (₹ in crore) ⁵	0.05	0.05

- Working funds have been considered as the average of total monthly assets as reported to the Reserve Bank of India in Form X under Section 27 of the Banking Regulation Act, 1949 during the financial year.
- For the purpose of this ratio, Operating Profit is profit for the year before provisions and contingencies.
- Assets have been considered as the average of total monthly assets as reported to the Reserve Bank of India in Form X under Section 27 of the Banking Regulation Act, 1949.
- For the purpose of this ratio, business has been recorded as deposits (excluding interbank deposits) plus net advances.
- For the purpose of this ratio, employees have been considered as the average of the total employees at the end of each month of the year.

7. OTHER FIXED ASSETS (including furniture and fixtures)

The movement in fixed assets capitalised as software is given below:

(₹ in crore)

Particulars	March 31, 2020	March 31, 2019
Cost		
As at March 31 of the preceding year	89.72	68.69
Additions during the year	10.86	21.03
Deductions during the year	-	-
Total (a)	100.58	89.72
Depreciation		
As at March 31 of the preceding year	62.40	51.43
Charge for the year	11.90	10.97
On deductions during the year	-	-
Total (b)	74.30	62.40
Net value as at March 31 of the current year (a-b)	26.28	27.32

8 Liquidity Coverage Ratio (LCR)
(A) Quantitative Disclosures
Financial Year 2019-20

(₹ in crore)

	Q1 FY 2019-20			Q2 FY 2019-20			Q3 FY 2019-20			Q4 FY 2019-20		
	Unweighted Value (average)	Total Weighted Value (average)	Total Value (average)	Unweighted Value (average)	Total Weighted Value (average)	Total Value (average)	Unweighted Value (average)	Total Weighted Value (average)	Total Value (average)	Unweighted Value (average)	Total Weighted Value (average)	Total Value (average)
High Quality Liquid Assets												
1 Total High Quality Liquid Assets (HQLA)		5,747.15	6,120.58									6,951.74
Cash Outflows												
2 Retail deposits and deposits from small business customers, of which:	13,794.07	1,332.74	1,466.06	15,418.38	1,592.29	1,677.59	16,677.59	1,592.29	1,683.67	17,589.24	1,683.67	
(i) Stable Deposits	1,507.52	77.03	75.76	1,515.25	1,509.34	1,509.34	1,509.34	75.46	1,504.92	1,504.92	75.46	75.25
(ii) Less Stable Deposits	12,286.55	1,255.71	1,390.30	13,903.13	1,390.30	1,516.85	15,168.25	1,516.83	16,084.32	16,084.32	1,608.42	1,608.42
3 Unsecured wholesale funding, of which:	7,493.34	4,292.61	3,928.38	6,952.06	7,047.26	7,047.26	7,047.26	4,051.26	7,418.80	7,418.80	4,387.22	4,387.22
(i) Operational deposits (all counterparties)	15.50	15.79	0.15	0.15	0.19	0.19	0.19	0.19	0.29	0.29	0.29	0.29
(ii) Non-operational deposits (all counterparties)	5,490.66	2,244.88	2,015.78	5,039.46	4,993.33	4,993.33	4,993.33	1,997.33	5,052.30	5,052.30	2,020.92	2,020.92
(iii) Unsecured debt	1,987.18	2,031.94	1,912.45	1,912.45	2,053.74	2,053.74	2,053.74	2,053.74	2,366.01	2,366.01	2,366.01	2,366.01
4 Secured wholesale funding		0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5 Additional requirements, of which	5,781.67	2,501.47	2,312.40	5,872.31	5,515.47	5,515.47	5,515.47	2,075.30	4,656.69	4,656.69	1,077.99	1,077.99
(i) Outflows related to derivative exposures and other collateral requirements	2,163.09	2,209.15	1,995.36	1,995.36	1,778.42	1,778.42	1,778.42	1,778.42	760.73	760.73	760.73	760.73
(ii) Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Credit and liquidity facilities	3,618.58	292.32	317.04	3,876.95	3,737.05	3,737.05	3,737.05	296.88	3,895.96	3,895.96	317.26	317.26
6 Other contractual funding obligations	408.97	418.65	421.74	421.74	550.19	550.19	550.19	550.20	538.86	538.86	538.86	538.86
7 Other contingent funding obligations	2,130.62	79.41	79.70	2,159.99	2,094.69	2,094.69	2,094.69	76.94	2,551.17	2,551.17	95.92	95.92
8 Total Cash Outflows		8,624.88	8,208.28					8,345.99	7,783.66			
Cash Inflows												
9 Secured lending (e.g. reverse repos)	289.54	0.00	0.00	479.00	447.67	447.67	447.67	0.00	760.55	760.55	0.00	0.00
10 Inflows from fully performing exposures	1,143.03	916.65	746.65	1,010.05	1,028.46	1,028.46	1,028.46	762.79	1,037.84	1,037.84	770.22	770.22
11 Other cash inflows	2,557.45	2,297.95	2,045.00	2,337.06	2,131.43	2,131.43	2,131.43	1,817.23	1,113.19	1,113.19	822.96	822.96
12 Total Cash Inflows	3,990.02	3,214.60	2,791.65	3,826.11	3,607.56	3,607.56	3,607.56	2,560.02	2,911.58	2,911.58	1,593.18	1,593.18
		Total Adjusted Value	Total Adjusted Value					Total Adjusted Value	Total Adjusted Value			Total Adjusted Value
TOTAL HQLA		5,747.15	6,120.58					6,212.32				6,951.74
Total Net Cash Outflows		5,410.28	5,416.63					5,765.97				6,190.48
Liquidity Coverage Ratio (%)		106.23%	113.00%					107.74%				112.30%

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

	Q1 FY 2018-19		Q2 FY 2018-19		Q3 FY 2018-19		Q4 FY 2018-19	
	Unweighted Value (average)	Total Weighted Value (average)	Unweighted Value (average)	Total Weighted Value (average)	Unweighted Value (average)	Total Weighted Value (average)	Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets								
1 Total High Quality Liquid Assets (HQLA)		3,763.52		3,930.26		4,657.65		5,409.88
Cash Outflows								
2 Retail deposits and deposits from small business customers, of which:	10,770.20	1,003.63	11,236.94	1,051.35	12,794.34	1,205.10	13,333.65	1,257.02
(i) Stable Deposits	1,467.73	73.39	1,446.89	72.35	1,486.54	74.33	1,526.74	76.34
(ii) Less Stable Deposits	9,302.47	930.24	9,790.05	979.00	11,307.80	1,130.77	11,806.91	1,180.88
3 Unsecured wholesale funding, of which:	2,140.22	1,477.61	2,048.93	1,310.70	8,765.10	5,564.06	8,489.24	4,959.33
(i) Operational deposits (all counterparties)	73.88	18.47	11.91	2.98	60.36	17.62	25.44	25.43
(ii) Non-operational deposits (all counterparties)	1,011.99	404.79	1,215.49	486.19	5,263.83	2,105.53	5,883.17	2,353.27
(iii) Unsecured debt	1,054.35	1,054.35	821.53	821.53	3,440.91	3,440.91	2,580.63	2,580.63
4 Secured wholesale funding		0.00		0.00		0.00		0.00
5 Additional requirements, of which	5,771.48	2,687.30	6,470.80	2,978.57	5,676.16	2,409.54	5,889.20	2,507.67
(i) Outflows related to derivative exposures and other collateral requirements	2,415.97	2,415.97	2,688.01	2,688.01	2,124.57	2,124.57	2,217.35	2,217.35
(ii) Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Credit and liquidity facilities	3,355.51	271.33	3,782.79	290.56	3,551.59	284.97	3,671.85	290.32
6 Other contractual funding obligations	337.43	337.43	348.21	348.21	381.02	381.02	393.35	393.35
7 Other contingent funding obligations	1,818.19	59.55	1,724.07	54.80	1,942.96	66.52	2,013.89	70.46
8 Total Cash Outflows		5,565.52		5,743.63		9,626.24		9,187.83
Cash Inflows								
9 Secured lending (e.g. reverse repos)	431.21	0.00	85.45	0.00	154.69	0.00	351.17	0.00
10 Inflows from fully performing exposures	993.12	737.04	842.16	601.31	981.26	741.12	1,093.17	835.80
11 Other cash inflows	2,730.02	2,491.94	3,087.32	2,797.60	2,529.97	2,206.72	2,637.64	2,318.80
12 Total Cash Inflows	4,154.35	3,228.98	4,014.93	3,398.91	3,665.92	2,947.84	4,081.98	3,154.60
		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
TOTAL HQLA		3,763.52		3,930.26		4,657.65		5,409.88
Total Net Cash Outflows		2,336.54		2,344.72		6,678.40		6,033.23
Liquidity Coverage Ratio (%)		161.93%		167.62%		69.74%		89.67%

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

(B) Qualitative Disclosures

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

The Liquidity Coverage Ratio (LCR) as on March 31, 2020 was 132.82%.

The LCR is being computed and monitored on daily average basis. The objective of the LCR is to ensure that the Bank maintains an adequate level of unencumbered HQLAs that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario specified by supervisors. Further at a minimum, the stock of liquid assets should enable the Bank to survive until day 30 of the stress scenario, by which time it is assumed that appropriate corrective actions can be taken.

The numerator, High Quality Liquid Assets comprises mainly of excess SLR securities, cash, excess CRR balances, Marginal Standing Facility ('MSF') to the extent of 3 per cent of Net Demand and Time Liabilities ('NDTL') and government securities up to another 14.5 per cent of NDTL while the denominator i.e. cash outflow over next 30 days comprises mainly of the deposit maturities in next 30 day period and other cash outflows net of cash inflows in next 30 day period. As a part of its strategy to manage the liquidity requirements, the Bank has been consistently investing in SLR securities of about 2% to 5% of its NDTL, over and above the regulatory SLR requirement.

HQLA of the Bank comprises of mainly Level-1 assets as per the RBI guidelines i.e. government securities apart from cash and excess CRR.

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

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

Apart from computing the LCR in the domestic currency, the Bank is also required to compute LCR in the currency in which aggregate liabilities denominated in that currency amount to 5 per cent or more of the Bank's total liabilities. To comply with the said requirement, the Bank computes the LCR in USD as the dollar denominated liabilities are more than 5% of the Bank's total liabilities. During the financial year 2019-20 and 2018-19, the cash inflows in next 30 days denominated in the USD were usually higher than the cash outflows in next 30 days denominated in USD.

The liquidity management of the Bank is centralised at Treasury. Treasury Front Office shall, depending upon the expected outflows and inflows for the day, decide to borrow or lend to maintain optimal liquidity. Treasury Back Office monitors the expected inflows and outflows by way of maintaining a register which records the expected outflows and inflows that are informed in advance by the branches as well as by Treasury Front Office before making any investment. For this purpose, branches are required to inform the Treasury Back Office in advance of any expected large flows above ₹ 5 crore. Also, Treasury Back Office takes into account the deposits that are scheduled to mature in order to arrive at the expected cash outflows for that particular day. As a part of effective liquidity management, the Bank always maintains excess SLR securities which can be pledged to meet the shortfall in the intraday liquidity, if any.

9 ASSET LIABILITY MANAGEMENT

9.1 Maturity pattern of certain items of assets and liabilities as at March 31, 2020

(₹ in crore)

Maturity Buckets	Loans and Advances	Investments	Deposits	Borrowings	Foreign Currency Assets@	Foreign Currency Liabilities
Day 1	40.90	291.42	887.24	5.27	18.14	27.36
2 to 7 days	147.52	-	1,041.11	-	5.48	9.68
8 to 14 days	173.19	-	753.84	-	16.59	5.48
15 to 30 days	95.01	-	934.50	-	10.14	4.83
31 days to 2 months	521.37	-	1,289.25	250.00	26.33	12.02
Over 2 months & upto 3 months	693.17	-	1,443.53	55.00	60.53	25.99
Over 3 months & upto 6 months	1,223.56	373.99	2,716.80	68.04	56.27	70.17
Over 6 months & upto 1 year	1,714.91	564.60	6,176.50	411.86	46.11	165.23
Over 1 year & upto 3 years	9,963.79	1,505.45	14,475.83	1,885.00	3.71	75.15
Over 3 year & upto 5 years	2,711.82	1,271.02	407.57	732.78	-	0.66
Over 5 years	8,060.05	3,735.02	243.76	-	7.37	-
Total	25,345.29	7,741.50	30,369.93	3,407.95	250.67	396.57

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

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

(₹ in crore)

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

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

Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI, which has been relied upon by the auditors.

9.3 Concentration of Deposits

(₹ in crore)

Particulars	March 31, 2020	March 31, 2019
Total deposits of twenty largest depositors*	2,816.69	3,414.09
Percentage of deposits of twenty largest depositors to total deposits of the Bank	9.27%	12.01%

* Excludes holders of Certificates of Deposits.

9.4 Concentration of Advances

(₹ in crore)

Particulars	March 31, 2020	March 31, 2019
Total advances to twenty largest borrowers	1,517.23	1,740.11
Percentage of Advances to twenty largest borrowers to total advances of the bank	5.10%	6.01%

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

9.5 Concentration of Exposures

(₹ in crore)

Particulars	March 31, 2020	March 31, 2019
Total Exposures to twenty largest borrowers / customers	1,622.39	1,862.05
Percentage of Exposures to twenty largest borrowers / Customers to Total Exposures of the bank on borrowers / Customers	5.17%	6.04%

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

9.6 Overseas Assets, NPAs and Revenue

(₹ in crore)

Particulars	March 31, 2020	March 31, 2019
Total Assets	NIL	NIL
Total NPAs	NIL	NIL
Total Revenue for the year	NIL	NIL

9.7 Off-Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms) as on March 31, 2020 and March 31, 2019

Name of the SPV sponsored	
Domestic	Overseas
NIL	NIL

9.8 Credit Default Swaps

The Bank has not transacted in credit default swaps during the year ended March 31, 2020 (Previous year: NIL).

10 EXPOSURES

10.1 Exposure to the Real Estate Sector

(₹ in crore)

Category	March 31, 2020	March 31, 2019
a) Direct Exposure		
(i) Residential Mortgages(*)	4,820.53	3,897.12
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 – ₹ 2,125.71 crore (Previous year: ₹ 1,719.12 crore)		
(ii) Commercial Real Estate	1,687.07	1,814.16
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).	521.29	638.30
Total Exposure to the Real Estate Sector	7,028.89	6,349.58

10.2 Exposure to the Capital Market

(₹ in crore)

Particulars	March 31, 2020	March 31, 2019
i. Direct investment in Equity Shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	17.83	17.83
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;	1.82	4.18
iv. Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	6.80
v. Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;(see * below)	325.63	337.90
vi. Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii. Bridge loans to companies against expected equity flows / issues;	-	-
viii. Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
ix. Financing to stockbrokers for margin trading;	-	-
x. All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to the Capital Market	345.28	366.71

* Includes Advances to Stock Brokers ₹ 5.13 crore (Previous year: ₹ 12.40 crore) and Financial Guarantees issued on their behalf to Stock Exchanges ₹ 320.50 crore (Previous year: ₹ 325.50 crore).

10.3 Risk category-wise country exposure

(₹ in crore)

Risk Category	Exposure (net) as at March 31, 2020	Provision held as at March 31, 2020	Exposure (net) as at March 31, 2019	Provision held as at March 31, 2019
Insignificant	73.98	-	196.83	-
Low	3.26	-	35.98	-
Moderate Low	1.53	-	1.60	-
Moderate	2.72	-	3.66	-
Moderate High	-	-	0.30	-
High	-	-	-	-
Very High	-	-	-	-
Restricted	-	-	-	-
Total	81.49	-	238.37	-

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 year ended March 31, 2020, the Bank has not exceeded the prudential exposure limits as laid down by the RBI guidelines under Large Exposure Framework.

10.5 Unsecured Advances

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

(₹ in crore)

Particulars	March 31, 2020	March 31, 2019
Total amount of advances against intangible collateral	NIL	NIL
Estimated value of intangible collateral	NIL	NIL

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

11. COMPLIANCE WITH ACCOUNTING STANDARDS, READ WITH THE RBI GUIDELINES

11.1 Employee Benefits (Accounting Standard 15)

The contribution to Employees' Provident Fund included under "Payments to and Provisions for Employees" in Schedule 16 amounted to ₹ 14.27 crore for the year ended March 31, 2020 (Previous year ₹ 12.81 crore).

During the year, the Bank has contributed ₹ 0.82 crore (previous year ₹ 0.72 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, 2020	March 31, 2019
Balance Sheet – Details of provision for Gratuity		
Defined benefit obligation	24.25	19.83
Fair value of plan Assets	22.91	19.27
Net Assets/(Liabilities)	(1.34)	(0.56)
Amounts in Balance Sheet		
Assets (included in Schedule 11 – Other Assets)	-	-
Liabilities (included in Schedule 5 – Other Liabilities and Provisions)	1.34	0.56
Change in Defined Benefit Obligations		
Obligations at the beginning of the year	19.83	16.79
Interest Cost	1.09	1.11
Current Service Cost	2.61	2.20
Past Service Cost	-	-
Benefits paid	(1.70)	(1.50)
Actuarial (gain)/loss on Obligation	2.42	1.23
Present value of obligation at the end of the year	24.25	19.83
Change in the Fair value of Plan Assets		
Fair value of plan assets at the beginning of the year	19.27	15.66
Expected Return on plan assets	1.48	1.31
Contributions	3.44	3.64
Benefits paid	(1.70)	(1.50)
Actuarial gain/(Loss) on plan assets	0.42	0.16
Fair value of plan assets at the end of the year	22.91	19.27
Cost for the year		
Current service cost	2.61	2.20
Interest cost	1.09	1.11
Expected return on plan assets	(1.48)	(1.31)
Net Actuarial (gain)/loss recognised in the year	2.00	1.07
Past service cost	-	-
Expense recognised in “Payments to and Provision for Employees” [Refer Schedule-16 (I)]	4.22	3.07
Actual return on plan assets	1.90	1.47
Experience Adjustments		
On obligation	1.67	0.98
On plan assets	0.32	0.16
Assumptions		
Discount rate	5.76% p.a.	6.95% p.a.
Expected return on plan assets	7.00% p.a.	7.50% 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, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016
Plan assets	22.91	19.27	15.66	13.38	10.20
Defined benefit obligation	24.25	19.83	16.79	13.93	11.27
Surplus / (Deficit)	(1.34)	(0.56)	(1.13)	(0.55)	(1.07)
Experience adjustment gain/ (loss) on plan assets	0.32	0.16	(0.26)	0.38	0.42
Experience adjustment (gain) / loss on plan liabilities	1.67	0.98	0.51	(0.33)	(0.00)

All the plan assets are invested by the gratuity trust namely "DCB Bank Limited Staff Gratuity Fund" in Government securities (CY about 53%, PY about 51%), high rated corporate bonds (CY about 35%, PY about 33%), units of mutual funds/ insurance companies (CY about 7%, PY about 12%) and others (CY about 5%, PY about 4%) set up as dedicated funds for management of gratuity funds.

Estimated rate of return on plan assets is based on the Bank's expectation of the average long-term rate of return expected on investments of the Fund during the estimated term of the obligations.

The contribution expected to be paid to the plan during the annual period beginning after the Balance Sheet date is ₹ 9.70 crore (Previous year: ₹ 7.41 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, 2020	March 31, 2019
Basic		
Net Profit (₹ in crore)	337.94	325.37
Weighted average number of Equity Shares outstanding	310,006,295	308,925,965
Basic Earnings per share (₹)	10.90	10.53
Diluted		
Net Profit (₹ in crore)	337.94	325.37
Weighted average number of Equity Shares outstanding	314,536,841	314,167,993
Diluted Earnings per share (₹)	10.74	10.36
Face value per share (₹)	10.00	10.00

Dilution of equity is on account of 4,530,546 (Previous year 5,242,028) stock options.

11.3 Employees' Stock Option Plan

The Shareholders of the Bank had approved an ESOP plan Phase I in November 2005, enabling the Board and /or the Nomination Committee to grant such number of Equity Shares and/or equity linked instruments, including options of the Bank not exceeding 4% of the Issued Capital or 60,00,000 Equity Shares of the Bank. The Shareholders, at the Annual General Meeting held on September 11, 2006 had approved an additional 3% of the Issued Capital, aggregating the total Equity Share Capital reserved

for all ESOPs to 7% of the Issued Capital from time to time. As the shares of the Bank were subsequently listed, confirmation of shareholders was obtained at the Extraordinary General Meeting held on December 15, 2006 in line with the guidelines of the Securities & Exchange Board of India. Pursuant thereto, during the year the Nomination and Remuneration Committee of the Board did not grant any options.

Under the Employees' Stock Options Plan, options vest in a graded manner over a 5 year period from the date of grant, the details of which are set out below:

End of the Year	For Sub Plan 1		For Sub Plan 2
	Till August 16, 2010	From August 17, 2010	
2nd	-	30%	30%
3rd	40%	30%	30%
4th	30%	20%	20%
5th	30%	20%	20%

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

Method used for accounting for ESOP

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

Activity in options outstanding under Employees Stock Option Plan.

Particulars	March 31, 2020		March 31, 2019	
	Number of options	Weighted Average Exercise Price	Number of options	Weighted Average Exercise Price
Options outstanding at the beginning of the year	7,780,505	64.35	9,354,205	65.32
Granted during the year	NIL	-	40,000	176.45
Exercised during the year	868,515	68.52	1,462,015	69.83
Forfeited/Lapsed during the year	114,620	108.64	151,685	100.74
Options outstanding at the end of the year*	6,797,370	63.07	7,780,505	64.35
Options exercisable	5,728,470	57.98	5,402,105	55.34

* Includes 900 (Previous year: 1,400) 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, 2020 is ₹ 187.61 (Previous year ₹ 172.03).

Summary of stock options outstanding as on March 31, 2020 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	800	20.01	1.27
₹ 25.00 – ₹ 109.00	6,253,500	58.00	4.64
₹ 110.00– ₹ 200.00	543,070	121.55	6.32

There were 868,515 stock options exercised during the year ended March 31, 2020.

Summary of stock options outstanding as on March 31, 2019 is given below:

Range of exercise price (Rupees per share)	Number of shares arising out of options	Weighted average exercise price (₹)	Weighted average remaining contractual life (Number of years)
₹ 17.00 – ₹ 24.00	1,750	19.77	1.34
₹ 25.00 – ₹ 109.00	7,156,565	59.20	5.65
₹ 110.00– ₹ 200.00	622,190	123.81	6.95

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

Fair value Methodology

The fair value of options used to compute proforma net income and earnings per equity share have been estimated using the binomial option-pricing model. The Bank estimated the volatility based on the historical share prices. There was no option granted during the year ended March 31, 2020.

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

Particular	March 31, 2019
Dividend Yield	0.39%
Expected Volatility	50%
Risk Free Interest Rate	7.39%
Expected life of options	6 years

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

The weighted average fair value of options granted during the year ended March 31, 2019 was ₹ 62.86 .

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

Impact of Fair Value Method on Net Profit and EPS

Had the compensation cost for the Bank's stock option plans outstanding been determined based on the fair value approach, the Bank's net profit and earnings per share would have been as per the proforma amounts indicated below:

(₹ in crore)		
Particular	March 31, 2020	March 31, 2019
Net Profit (as reported)	337.94	325.37
Add: Stock based compensation expense accounted	0.00	0.06
	337.94	325.43
Less: Stock based compensation expense determined under fair value based method (proforma)	0.71	1.84
Net Profit (proforma)	337.23	323.59

Particular	March 31, 2020	March 31, 2019
Basic earnings per share (as reported)	10.90	10.53
Basic earnings per share (proforma)	10.88	10.47
Diluted earnings per share (as reported)	10.74	10.36
Diluted earnings per share (proforma)	10.72	10.30

11.4 Segment Information

Part A: Business Segments

(₹ in crore)

Business Segments	Treasury Operations			Corporate / Wholesale Banking			Retail Banking			Other Banking Operations			Total	
	FY 2019-20	FY 2018-19	FY 2019-20	FY 2018-19	FY 2019-20	FY 2018-19	FY 2019-20	FY 2018-19	FY 2019-20	FY 2018-19	FY 2019-20	FY 2018-19	FY 2019-20	FY 2018-19
Revenue	994.83	902.06	500.86	491.47	3,137.19	2,736.60	38.77	35.18			4,671.65	(0.70)	4,165.31	
Unallocated Revenue														(0.27)
Total Revenue¹											4,670.95		4,165.04	
Result	90.45	53.34	71.04	65.82	312.42	376.10	37.54	33.98			511.45	(19.53)	529.24	(22.70)
Unallocated Result														
Total											491.92		506.54	
Unallocated expenses														
Operating profit														
Income taxes														753.06
Extraordinary profit / loss														(153.98)
Net profit											337.94		325.37	
Other Information														
Segment assets	12,023.82	11,179.80	3,713.77	3,938.66	22,514.99	20,447.38	0.02	0.06			38,252.60		35,565.90	
Unallocated assets											292.54		225.93	
Total assets											38,505.14		35,791.83	
Segment liabilities	8,020.39	7,523.96	2,440.09	3,012.37	24,615.71	22,133.01	0.95	1.06			35,077.14		32,670.40	
Unallocated liabilities ²													3,121.43	
Total liabilities											38,505.14		35,791.83	
Capital Expenditure	0.14	0.77	1.49	2.42	65.82	68.21	0.39	0.96			67.84		72.36	
Unallocable													5.08	5.82
Total Capital Expenditure											72.92		78.18	
Depreciation	1.07	0.88	0.60	0.49	48.28	41.36	-	-			49.95		42.73	
Unallocable													1.19	1.45
Total Depreciation											51.14		44.18	
Non Cash Expenses ³	(1.49)	2.14	31.32	34.12	213.27	82.32	-	-			243.10		118.58	
Unallocable													18.04	21.48
Total Non Cash Expenses											261.14		140.06	

1. Revenue i.e. Total Revenue includes inter-segment revenue of ₹ 743.22 crore in FY 2019-20 (Previous year ₹ 773.39 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 ₹ 3,927.73 crore in FY 2019-20 (Previous year: ₹ 3,391.65 crore).
2. Includes Capital and Reserves.
3. Excluding depreciation and provision for taxes.
4. Income, expense, assets and liabilities have been either specifically identified with individual segment or allocated to segments on a systematic basis or classified as unallocated.
5. Inter-segment transactions have been generally based on transfer pricing measures as determined by the Management.

Part B: Geographic Segments

The Bank does not have overseas branches and the operations are entirely domestic. Therefore, no separate reporting is done based on geographic segments.

11.5 Related Party Transactions

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

Mr. Murali M. Natrajan : Key Management Personnel

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

(₹ in crore)

Particulars	March 31, 2020	March 31, 2019
Mr. Murali M. Natrajan: Managing Director		
Managerial Remuneration	5.55	4.94

Managerial Remuneration excludes perquisite value of employee stock options exercised during FY 2019-20 and FY 2018-19.

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, 2020	As at March 31, 2019
A.	DTA :		
	(i) Provision for Loan Losses (minus deduction u/s 36(1)(vii) of the Income Tax Act, 1961)	119.49	119.59
	(ii) Others	7.10	4.37
	Total DTA [A]	126.59	123.96
B.	DTL :		
	(i) Depreciation	10.59	12.86
	(ii) Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961	22.64	22.46
	(iii) Others	-	-
	Total DTL [B]	33.23	35.32
C.	NET DTA [A – B]	93.36	88.64

11.7 Assets Taken Under Operating Leases

(₹ in crore)

Particulars	March 31, 2020	March 31, 2019
Minimum Lease Rent payable		
Payable not later than 1 year	49.58	45.76
Payable later than 1 year but not later than 5 years	166.51	161.48
Payable later than 5 years	249.73	244.07
Total	465.82	451.31
The total of lease payments recognised in the Profit and Loss Account for the year	53.23	50.51

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 2019-20 an amount of ₹ 6.04 crore (Previous year: ₹ 6.06 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 ₹ 43.84 crore (Previous year: ₹ 43.86 crore) is outstanding as at March 31, 2020, as claims against the Bank not acknowledged as Debts, including ₹ 28.50 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 17 on pending litigation cases)
2.	Liability on account of outstanding forward exchange and derivative contracts	An amount of ₹ 741.24 crore (Previous year: ₹ 594.05 crore) is outstanding as at March 31, 2020. The Bank enters into foreign exchange contracts, currency options/swaps and interest rate futures on its own account and for customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. Currency swaps are commitments to exchange cash flows by way of interest/principal in two currencies, based on ruling spot rates. Interest rate futures are standardised, exchange-traded contracts that represent a pledge to undertake a certain interest rate transaction at a specified price, on a specified future date.
3.	Guarantees given on behalf of constituents, Acceptances, Endorsements and Others	An amount of ₹ 1,588.96 crore (Previous year: ₹ 1,509.89 crore) is outstanding as at March 31, 2020. 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 ₹ 2,440.71 crore (Previous year: ₹ 1,038.12 crore) is outstanding as at March 31, 2020. These include liability on account of repo and reverse repo transaction with the RBI, credit enhancement relating to the sale of mortgage loan portfolio undertaken by the Bank, capital commitments and the unclaimed liabilities where amount due has been transferred to Depositor Education and Awareness Fund (DEAF) with RBI.

* Also refer Schedule – 12.

12 Additional Disclosures

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

(₹ in 000's)

Particulars	March 31, 2020	March 31, 2019
Provision for Income Tax*		
- Current	1,587,045	1,917,075
- Deferred (Refer note 11.6)	(47,175)	(105,339)
Depreciation on Investments	(15,017)	21,216
Provision/write-off towards non-performing assets	1,622,378	1,091,841
Floating Provision	180,367	214,845
Provision for Standard Assets**	147,845	74,634
General provision for COVID-19	630,000	-
Sacrifice in One Time Settlement	21,780	4,432
Provision for Other Assets and Contingencies	2,153	(2,121)
Provisions for Restructured Advances	21,881	(4,243)
Total	4,151,257	3,212,340

* The Bank has exercised the option to pay tax at rate of 22% plus applicable surcharge and cess under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Law (Amendment) Ordinance, 2019.

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

12.2 Floating Provisions

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

Movement in floating provision is set out below:

(₹ in crore)

Particulars	March 31, 2020	March 31, 2019
Opening balance at the beginning of the year	78.28	56.80
Provision made during the year	18.04	21.48
Draw down made during the year	-	-
Closing balance at the end of the year	96.32	78.28

12.3 Provisioning Coverage Ratio

In accordance with the RBI guidelines, the Bank's Provisioning Coverage Ratio at March 31, 2020 is 70.81% (Previous year: 78.77%).

12.4 Depositor Education and Awareness Fund (DEAF)

In accordance with the guidelines issued by the RBI, the Bank transfers the amount to the credit of any account which has not been operated upon for a period of ten years or any deposit or any amount remaining unclaimed for more than ten years to the DEAF.

Details of amounts transferred to DEAF are set out below:

(₹ in crore)

Particulars	March 31, 2020	March 31, 2019
Opening balance of amounts transferred to DEAF	37.68	31.00
Add : Amounts transferred to DEAF during the year	8.39	7.21
Less : Amounts reimbursed by DEAF towards claims	0.90	0.53
Closing balance of amounts transferred to DEAF	45.17	37.68

12.5 Unhedged Foreign Currency Exposure(UFCE)

In accordance with the RBI guidelines on banks' exposures to entities with Unhedged Foreign Currency Exposure ('UFCE'), the Bank has put in place a mechanism to seek information from its borrowers and to evaluate the currency induced credit risk. In the case of listed entities, the Bank obtains information relating to unhedged positions based on the latest available audited / reviewed financial statements; whilst in the case of unlisted / private companies, the Bank obtains the aforesaid information based on the latest available audited financial statements (not exceeding a financial year) so as to estimate the extent of likely loss and to provide for incremental capital or to recognise incremental provision in accordance with the aforesaid guidelines. Further, as per the above-mentioned guidelines, the Bank obtains audited and certified UFCE information from the statutory auditors of the borrowers on an annual basis. In the case of smaller entities i.e. entities with exposure to banking industry of less than ₹ 25 crore and as identified by the Bank as having any foreign exchange exposure, the Bank recognises an incremental provision at 10 basis points on all such exposures.

The incremental provisions and capital held by the Bank towards this risk, included in the Bank's financials are as under:

(₹ in crore)

Particulars	March 31, 2020	March 31, 2019
Provisioning Requirement for UFCE	2.75	2.75
Risk weight on account of UFCE	18.06	33.37
Capital Requirement at 9%	1.63	3.00

12.6 Customer Complaints

(A) Customer complaints other than complaints pertaining to ATM cards issued by the Bank+

Particulars	As at March 31, 2020	As at March 31, 2019
(a) No. of complaints pending at the beginning of the year	32	10
(b) No. of complaints received during the year	6,467	1,048
(c) No. of complaints redressed during the year	6,040	1,026
(d) No. of complaints pending at the end of the year*	459	32

* Out of 459 (Previous year: 32) pending complaints, there were 7 complaints (Previous year: 6) pertaining to CDRF (Consumer Disputes Redressal Forum) cases.

+ As compiled by the Management and relied upon by the auditors.

(B) Customer Complaints pertaining to ATM Cards issued by the Bank+

Particulars	As at March 31, 2020	As at March 31, 2019
(a) No. of complaints pending at the beginning of the year	111	157
(b) No. of complaints received during the year	5,507	5,453
(c) No. of complaints redressed during the year	5,584	5,499
(d) No. of complaints pending at the end of the year	34	111

+ As compiled by the Management and relied upon by the auditors.

12.7 Awards passed by the Banking Ombudsman+

Particulars	As at March 31, 2020	As at March 31, 2019
(a) No. of unimplemented Awards at the beginning of the year	-	-
(b) No. of Awards passed by Banking Ombudsman during the year	-	-
(c) No. of Awards implemented during the year	-	-
(d) No. of unimplemented Awards pending at the end of the year	-	-

+ As compiled by the Management and relied upon by the auditors.

12.8 Letters Of Comfort (LoC) / Letters of Undertaking (LoU)

The Bank has stopped issuing any fresh LoU in line with the RBI guidelines dated March 13, 2018 in this regard. Outstanding LoU as on March 31, 2020 was NIL (Previous year: ₹ NIL).

12.9 Small and Micro Industries

Under the Micro, Small and Medium Enterprises Development Act, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments. The above is based on the information available with the Bank which has been relied upon by the auditors.

12.10 Priority Sector Lending Certificates ('PSLCs')(Category-wise) sold and purchased during the year.

(₹ in crore)

Particulars	As at March 31,2020	As at March 31, 2019
PSLC purchased during the year		
(i) PSLC – Agriculture	125.00	60.50
(ii) PSLC – SF/MF	-	-
(iii) PSLC – Micro Enterprises	-	-
(iv) PSLC – General	-	-
Total	125.00	60.50
PSLC sold during the year		
(i) PSLC – Agriculture	-	-
(ii) PSLC – SF/MF	-	-
(iii) PSLC – Micro Enterprises	3,666.00	4,059.50
(iv) PSLC – General	1,325.00	1,250.00
Total	4,991.00	5,309.50

12.11 Number of Frauds reported, amount involved in such frauds, quantum of provisions made during the year and quantum of unamortized provision debited from 'other reserves' as at the end of the year.

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Number of frauds reported during the year ¹	238	128
(b) Amount involved in fraud net of recoveries/ write-offs as at the end of the year	7.77	24.73
(c) Provisions made during the year	7.20	24.73
(d) Quantum of unamortised provision debited from 'other reserves' at the end of the year	NIL	NIL

Notes:

- 1 Out of 238 frauds as at March 31, 2020, there were 218 cases (Previous year: 102 cases) pertaining to card transactions of the Bank's customers.
- 2 During the financial year 2019-20, the Bank incurred frauds amounting to ₹ 7.18 crore (Previous year: ₹ 24.73 crore) in its loan portfolio in respect of certain borrowers, which has been fully provided for, net of recoveries.

13 OTHER MATTERS**13.1 Disclosure of penalties imposed by RBI**

During the year ended March 31, 2020, RBI vide its letter dated January 08, 2020 had directed the Bank to pay a penalty of ₹ 0.01 crore in terms of RBI circular IDMD.DOD.17/11.01.01 (B)/2010-11 dated July 14, 2010, for having shortfall of security of ₹ 10 crore in the SGL account ('SGL bouncing'), in one instance. The Bank paid the penalty on January 16, 2020.

During the year ended March 31, 2019, RBI vide its Order dated February 25, 2019 had directed the Bank to pay a penalty of ₹ 2 crore in terms of Section 35, 35A, 46 and 47A of the Banking Regulation Act, 1949, for contravention of regulatory guidelines issued by RBI on Time bound implementation and strengthening of SWIFT related operational controls. The Bank paid the penalty on March 11, 2019.

13.2 Corporate Social Responsibility (CSR)

The Bank was required to spend ₹ 7.98 crore (Previous year: ₹ 6.34 crore) during the financial year 2019-20 towards Corporate Social Responsibility (CSR), in accordance with Companies Act, 2013.

The Bank has spent an amount of ₹ 7.77 crore (Previous year: ₹ 3.87 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 2019-20 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:	7.77	-	7.77

The details of amount spent during FY 2018-19 towards CSR are as under:

(₹ in crore)

Particulars	In cash	Yet to be paid in cash (i.e. provision)	Total
1) Construction/acquisition of any assets	-	-	-
2) For purposes other than (1) above:	3.87	-	3.87

CSR projects and programmes undertaken by the Bank

The Bank took a bold step in ramping up focus on solar energy. In line with other CSR focus areas highlighted in the beginning passage solar photovoltaics power is hugely scalable and replicable at various locations in India. A unique feature of solar power generation is that it provides the ability to generate power on a distributed basis and enables rapid capacity addition with faster turnaround time.

In FY 2019-20 the Bank focussed on off-grid decentralised solar power use cases. Quick set up time, simple maintenance procedure, abundant supply of fuel, ability to meet the basic electricity needs of far flung villages and hamlets will change the lives of the communities in times to come.

The Bank is actively promoting the use of off grid Home Lighting System (HLS) in and around wildlife reserves in Tamil Nadu to assist the communities residing at those inaccessible locations. The HLS provides light points, fan points and charging point for appliances or devices.

Under the push for solar power, Bank has also arranged for solar powered ground water pumps. The Bank is working with implementation partners in two states Bihar and Maharashtra to test the efficacy of this programme.

Tree plantation continues apace, in FY 2019-20 witnessed planting of 1,10,610 saplings. This number was achieved with the help of DCB Bank staff volunteers and CSR implementation partners. The Bank will continue the initiative on tree plantation along rivers, streams, ponds, lakes and green zones. Increasing the green cover improves bio diversity, aids the absorption of water into the ground, prevents soil loss and absorbs carbon. For communities abutting forest areas, trees also provide economic sustenance.

As part of reducing water usage and reducing pollution, the Bank has a program to install "waterless" urinals and it made a beginning with the 100% organic treatment system to reuse sewage waste water for flushing and gardening.

Tackling the water crisis is as much an urban issue and the Bank's outreach touch institutions in urban areas such as Rameshwaram, New Delhi, and Amritsar were made functional and contributed to saving precious ground water. The Bank's successful implementation of these waterless urinals and sewage water recycling were highlighted in social media and print media. The media platforms serve to amplify the message of sustainable best practices and highlight the Bank's interest to participate in similar projects elsewhere in the country. The Bank's CSR projects' are underpinned to the United Nations Sustainable Development Goals (SDG).

The Bank undertook a successful information and communication project for schools under the Govt. of National Capital Territory of Delhi. The Hindi edition 'Gully Gully Barishh, Gaon Gaon Bhagirath', was translated from the English version of the Water Book. Twelve inspiring stories from India on water conservation were presented to 750 school libraries across Delhi NCR.

The above details of CSR projects and programmes have been compiled by the Management and relied upon by the auditors.

13.3 Remuneration

a) Qualitative disclosures

Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee of the Board consists of Independent Directors with one member from the Risk Management Committee of the Board.

The main objectives of the Nomination & Remuneration Committee of the Board are:

- Deciding the size and composition of the Board and appointment of persons for the same.
- Recommending to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- Evaluation of every director's performance and making recommendations for remuneration for Non-Executive Directors, 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.

Objectives of Compensation Policy

The Bank has put in place a Board approved Compensation Policy.

An important objective of the Compensation Policy is to provide all relevant internal and external parties with appropriate information and transparency thereby promoting a thorough understanding of the Bank's compensation practices.

The Bank's objective is to maintain a Compensation Policy that:-

- Is able to attract, retain talent and motivate them to perform at high standards.
- Facilitates a performance culture in the Bank by balancing a mix of fixed pay with variable pay.
- Supports the Bank's risk management practices and takes into account long-term performance of the Bank.
- Is compliant with regulatory requirements and is approved by the Board's Nomination and Remuneration Committee.

Risk adjustments in remuneration

The methodologies for adjusting remuneration to risk and performance are consistent with the general risk management and corporate governance framework. Risk adjustments take into account the nature of the risks involved and the time horizons over which they could emerge. The Bank is adhering to the guidelines mentioned in the Basel Committee on Banking Supervision report on Range of Methodologies for Risk and Performance Alignment of Remuneration and Financial Stability Board (FSB) Implementation standards on sound compensation practices.

The Bank ensures that there is proper risk alignment with the compensation of MD & CEO and other Whole Time Directors such that no undue risks are being taken against the interest of the Bank. In general, the review of Risk Management framework is the integral part of the annual performance review applicable to all employees.

The Risk Management Committee of the Bank through its representative on the NRC shall independently provide inputs for assessment under risk alignment.

Performance linked variable compensation

An annual Rewards Exercise (Compensation Revision) is done for alignment of compensation structure across levels keeping the following considerations, namely; performance of the bank, alignment of risks with the rewards, encouraging rewards based on the long term contributions to the bank, cost/ income ratio of the bank, employee turnover on account of increased demand of talent in the industry and other related factors. Annually, the NRC reviews and approves the reward approach presented by the Management.

Variable pay for all Whole Time Directors ('WTD') / Managing Director ('MD') & Chief Executive Officer ('CEO') and other employees shall not exceed 70% of fixed pay, The variable pay offered will be linked to the Bank's performance and could be reduced in whole/part during a year of poor performance. Where Variable Pay exceeds 50% (substantial pay) of the fixed pay, 60% of the entire variable pay for the respective year will be paid upfront and vesting of remaining 40% will be deferred over the next 3 years in equal proportions.

For all employees including WTD and MD & CEO, in the event of negative contributions of the Bank and/ or the relevant line of business in any year, the Variable Pay (performance bonus/ performance payout) shall be subjected to malus/ clawback arrangements in part /full amount.

b) Quantitative disclosures

(₹ in crore)

Sr. No.	Particulars	As at	
		March 31, 2020	March 31, 2019
(a)	Number of meetings held by the Nomination and Remuneration Committee during the financial year	6	5
(b)	Remuneration paid to the members of the Nomination and Remuneration Committee	0.10	0.09
(c)	Number of employees having received a variable remuneration award during the financial year (as per compensation policy)	14	14
(d)	Number and total amount of sign-on awards made during the financial year	NIL	NIL
(e)	Details of guaranteed bonus, if any, paid as joining / sign on bonus	NIL	NIL
(f)	Details of severance pay, in addition to accrued benefits, if any	NIL	NIL
(g)	Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms	1.34 (cash bonus)	1.39 (cash bonus)
(h)	Total amount of deferred remuneration paid out in the financial year	0.46	0.00
(i)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred ^{1,2}	Fixed 17.73 Variable 5.19 -Deferred 0.41 -Non Deferred 4.78	Fixed 16.42 Variable 5.36 -Deferred 1.39 -Non Deferred 3.97
(j)	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and / or implicit adjustment	1.34	1.39
(k)	Total amount of reductions during the financial year due to ex-post explicit adjustments	NIL	NIL
(l)	Total amount of reductions during the financial year due to ex-post implicit adjustment	NIL	NIL

1. Excludes ESOP granted during the year.

2. Includes Perquisites and Contribution to Provident Fund.

13.4 Disclosure on remuneration to Non-Executive Directors

The Non-Executive Directors are paid remuneration by way of sitting fees for attending meetings of the Board and its committees. An amount of ₹ 1.26 crore (Previous year: ₹ 1.20 crore) was paid as sitting fees to the Non-Executive Directors during the year.

13.5 Proposed Dividend

RBI vide its circular DOR.BP.BC.No.64/21.02.067/2019-20 dated April 17, 2020 has decided that banks shall not make any further dividend payouts from the profits pertaining to the financial year ended March 31, 2020 until further instructions, with a view that banks must conserve capital in an environment of heightened uncertainty caused by COVID-19. Accordingly, the Board of Directors of the Bank has not proposed any dividend for the year ended March 31, 2020.

Dividend paid during the year, represents dividend (₹ 1.00 per equity share) for the year ended March 31, 2019 paid pursuant to approval of shareholders at Annual General Meeting held on June 01, 2019.

14 INCOME FROM BANCASSURANCE BUSINESS

(₹ in crore)

Sr. No.	Nature of Income	March 31, 2020	March 31, 2019
1.	For selling life insurance policies	25.16	20.37
2.	For selling non-life insurance policies	8.60	11.73
3.	For selling mutual fund products	1.31	3.08
4.	Others	-	-
	Total	35.07	35.18

15 DRAW DOWN FROM RESERVES

The Bank has not undertaken any draw down of reserves during the financial year 2019-20.

During the financial year 2018-19, the Bank has drawn down ₹ 1.02 crore from Investment Reserve Account towards depreciation on investment in AFS and HFT categories in terms of RBI guidelines.

16 Net overnight open position outstanding as on March 31, 2020 was ₹ 1.05 crore (Previous year: ₹ 1.01 crore).

17 The Bank's pending litigations comprise of claims against the Bank by the clients and proceedings pending with Income Tax authorities. The Bank has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Management believes that the possibility of an outflow of resources embodying economic benefits in these cases is possible but not probable and hence no provision is required in these cases. However, a contingent liability has been disclosed with respect to these cases. Refer note 11.9 for details on contingent liabilities.

18 The Bank has received a Show Cause Notice No. 17/1/2018/IEPF/INSP1/206(4)/SCN/1F4NF/WR/MUM/100 dated November 29, 2019 from the IEPF Authorities for not transferring the underlying equity Shares to the Demat account of Investors Education and Protection Fund (IEPF) maintained with the Ministry of Corporate Affairs in respect of which dividend were transferred to IEPF after remaining unclaimed for 7 consecutive years or more. The Bank has undertaken steps to transfer the equity Shares to the Demat account of IEPF by adopting the prescribed process under the relevant IEPF Rules.

19 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.

- 20** Previous year's figures have been regrouped / reclassified, wherever considered necessary, in order to make them comparable with figures for the current year.
- 21** These are the notes appended to and forming part of the financial statements for the year ended March 31, 2020.

As per our report of even date.

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

G.K. Subramaniam
Partner
Membership No. : 109839

Place : Mumbai
Date : May 23, 2020

For and on behalf of the Board of Directors

Murali M. Natrajan
MD & CEO

Bharat Sampat
Chief Financial Officer

Place : Mumbai
Date : May 23, 2020

Ashok Barat
Director

Rubi Chaturvedi
Company Secretary

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, 2020, 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 I 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 I capital. In terms of the RBI guidelines dated March 27, 2014 the implementation of CCB is effective from March 31, 2016 in four stages of increase by 0.625% every year. RBI has deferred the implementation of last tranche of 0.625% of CCB from March 31, 2020 to September 30, 2020. Consequently, Basel III Capital Regulations will be fully implemented as on September 30, 2020.

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, 2020 the Bank has issued subscribed and paid-up capital of ₹ 3.10 billion, constituting 310,415,413 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, 2020 the Bank had an outstanding subordinated debt (Unsecured Redeemable Non-convertible Bonds) aggregating ₹ 6,866 million, the details of which are stated below:

(₹ million)

Deemed Date of Allotment	Coupon Rate (% p.a.)	Tenure (in months)	Equivalent Amount as on March 31, 2020
31 March 2016	10.25%	121	866.0
18 November 2016	9.85%	120	1,500.0
17 November 2017	9.85%	120	3,000.0
12 January 2018	9.85%	120	1,500.0
Total			6,866.0

Composition of Capital – Tier I and Tier II

(₹ million)

Particulars	As on March 31, 2020
1. Tier I capital	
1.1 Paid-up share capital	3,104.2
1.2 Reserves	29,407.1
1.3 Gross Tier I capital (1.1 + 1.2)	32,511.3
1.4 Deductions	-
1.5 Total Tier I capital (1.3 - 1.4)	32,511.3
2. Tier II capital	
2.1 Subordinated Debt (Lower Tier II bonds)	6,866.0
2.2 General Provisions	2,153.6
2.3 Gross Tier II capital (2.1 + 2.2)	9,019.6
2.4 Deductions	-
2.5 Total Tier II capital (2.3 - 2.4)	9,019.6
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	-

Particulars	As on March 31, 2020
3.3 Amount eligible to be reckoned as capital funds	-
4. Subordinated debt eligible for inclusion in Lower Tier II capital	
4.1 Total amount outstanding	6,866.0
4.2 Of which amount raised during the current year	-
4.3 Amount eligible to be reckoned as capital funds	6,866.0
5. Other deductions from capital	
5.1 Other deductions from capital	-
6. Total eligible capital	
6.1 Total eligible capital (1.5 + 2.5)	41,530.9

3. CAPITAL ADEQUACY

The Bank has a process for assessing its overall capital adequacy in relation to the Bank's risk profile and a strategy for maintaining its capital levels. The process ensures that the Bank has adequate capital to support all the material risks and an appropriate capital cushion. The Bank identifies, assesses and manages comprehensively all risks that it is exposed to through robust risk management framework, control mechanism and an elaborate process for capital calculation and planning.

The Bank has formalised and implemented a comprehensive Internal Capital Adequacy Assessment Process (ICAAP). The Bank's ICAAP covers the capital management policy of the Bank and also sets the process for assessment of the adequacy of capital to support current and future projections / risks.

The Bank has a structured process for the identification and evaluation of all risks that the Bank faces, which may have an adverse material impact on its financial position. The Bank considers the following risks as material risks it is exposed to in the normal course of its business and therefore, factors these while assessing / planning capital:

- Credit Risk
- Liquidity Risk
- Concentration Risk
- Strategy Risk

- Market Risk
- Operational Risk
- Interest Rate Risk in the Banking Book
- Reputational Risk
- Residual Risk
- Economy risk

The Bank has also implemented a Board approved Stress Testing policy. Stress Testing involves the use of various techniques to assess the Bank's potential vulnerability to extreme but plausible ("stressed") business conditions. Typically, this relates, among other things, to the impact on the Bank's profitability and capital adequacy. Stress Tests are conducted on a quarterly basis on the Bank's on and off balance sheet exposures to test the impact of Credit, Liquidity risk and Interest Rate Risk in the Banking book (IRRBB). The stress test results are put up to the Risk Management Committee (RMC) of the Board on a quarterly basis, for their review and guidance. The Bank periodically assesses and refines its stress tests in an effort to ensure that the stress scenarios capture material risks as well as reflect possible extreme market moves that could arise as a result of market conditions. The stress tests are used in conjunction with the Bank's business plans for the purpose of capital planning in the ICAAP. The Bank has also implemented a Board approved separate Stress Testing Policy / Model for its Securitised portfolio.

In line with the RBI guidelines for implementing the New Capital Adequacy Framework under Basel III, the Bank has successfully migrated to the framework from April 1, 2013. In accordance with the RBI's requirement, the Bank has continued to adopt Standardised Approach (SA) for Credit Risk and Basic Indicator Approach (BIA) for Operational Risk to compute capital as on March 31, 2020. Besides this, the Bank continues to apply the Standardised Duration Approach (SDA) for computing capital requirement for Market Risk. RBI has prescribed banks to maintain a minimum CRAR of 9% with regard to credit risk, market risk and operational risk on an ongoing basis. The total Capital to Risk weighted Assets Ratio (CRAR) as per Basel III guidelines works to 17.75% as on March 31, 2020 (as against minimum regulatory requirement of 10.875%). The Tier I CRAR stands at 13.90% 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, 2020
1. Capital requirement for Credit Risk	18,006.3
• Portfolio subject to Standardised Approach	17,828.3
• Securitization Exposures	178.0
2. Capital requirement for Market Risk	791.7
• Standardised Duration Approach	
o Interest Rate Risk	613.9
o Foreign Exchange Risk (Including gold)	54.0
o Equity Risk	123.8
3. Capital requirement for Operational Risk	1,915.4
• Basic Indicator Approach	1,915.4
Total capital requirements at 9% (1 + 2 + 3)	20,713.4
Total capital	41,530.9
CRAR %	17.75 %
Tier-I CRAR %	13.90 %

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, 2020:

(₹ million)	
Category	Exposure
Fund based ¹	282,657.2
Non fund based ²	15,050.6
Total	297,707.8

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, 2020:

(₹ million)		
Category	Domestic	Overseas
Fund based	282,657.2	-
Non fund based	15,050.6	-
Total	297,707.8	-

5 (d) Industry type distribution of exposures as on March 31, 2020:

(₹ million)

Industry	Fund Based	Non Fund Based	Total
Retail Loans	58,749.8	173.5	58,923.2
Housing Loans	48,250.7	-	48,250.7
Auto Loans	258.4	-	258.4
Personal Loan	1,144.4	-	1,144.4
Other Loans (Gold Loans, Loans against deposits & Shares etc.)	8,436.5	173.5	8,610.0
Staff Loans	659.8	-	659.8
Trade	70,400.3	1,224.2	71,624.5
Trade - Retail	40,596.3	213.3	40,809.6
Trade - Wholesale	29,804.0	1,010.9	30,814.8
Agriculture	27,816.0	87.0	27,903.0
Logistics	24,284.9	645.1	24,930.0
Logistics - Transport Operators(includes CV loans)	21,469.2	112.9	21,582.0
Logistics - Others	2,815.8	532.2	3,348.0
Miscellaneous Services	23,127.5	357.5	23,485.1
of which Retail Business Loans	1,544.5	-	1,544.5
Construction incl. Residential Housing	15,795.7	2,614.2	18,410.0
Residential Constructions	10,086.7	9.4	10,096.1
Construction Contractors	2,268.8	906.0	3,174.8
Construction Others	3,440.3	1,698.8	5,139.1
NBFC	14,349.1	42.0	14,391.1
NBFC - HFC	5,192.9	20.0	5,212.9
NBFC - Investment and Credit Company (AFC)	2,053.1	-	2,053.1
NBFC - Others	7,103.1	22.0	7,125.1
Textiles	8,779.1	66.4	8,845.6
All Engineering	6,640.8	1,570.7	8,211.5
Infrastructure (Including Energy, Telecommunications, Water & Sanitation and Social & Commercial Infra)	4,831.1	1,459.8	6,290.9
Food Processing	3,720.0	263.7	3,983.6

(₹ million)

Industry	Fund Based	Non Fund Based	Total
Gems & Jewellery	3,437.8	250.0	3,687.8
Basic Metal & Metal Products	3,084.5	1,078.4	4,162.9
Real Estate Activities incl. Lease Rent Discounting	3,052.8	65.8	3,118.6
Chemical & Chemical Products	2,449.0	255.4	2,704.4
Capital Market (including Brokers)	119.5	2,545.1	2,664.6
Travels & Tourism	2,410.1	49.5	2,459.7
Finance (Others)	1,291.9	604.8	1,896.7
Paper & Paper Products	1,200.7	134.9	1,335.6
IT & related	1,152.0	101.1	1,253.1
Wood & Wood Products	1,161.2	1.0	1,162.2
Other Manufacturing	1,031.6	39.4	1,071.0
Rubber, Plastic & their Products	809.9	190.5	1,000.4
Renting of equipments	917.9	47.6	965.4
Cement & Cement Products	491.2	18.5	509.7
Vehicles, Vehicle Parts & Transport Equipments	476.8	1.0	477.8
Beverages (Excl. Tea & Coffee) and Tobacco	274.7	-	274.7
Leather & Leather Products	242.3	4.7	247.1
Mining & Quarrying	148.2	-	148.2
Glass & Glassware	97.4	0.2	97.6
Petroleum, Coal Products & Nuclear fuels	34.3	0.1	34.4
Residual	278.9	1,158.5	1,437.4
Grand Total	282,657.2	15,050.6	297,707.8

5 (e) Residual contractual maturity breakdown of assets as on March 31, 2020

(₹ 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	2,218.1	-	-	-	-	-	-	-	-	-	-	2,218.1
Balance with RBI	266.9	194.5	275.0	398.3	580.9	300.4	732.6	1,420.8	3,724.2	116.9	69.4	8,079.9
Balances with Other Banks	23,850.8	1,049.9	-	-	-	-	-	1.7	258.2	0.1	-	25,160.7
Investments	-	-	343.5	25.1	-	1,153.1	3,790.0	6,988.5	15,054.5	12,710.2	37,350.2	77,415.1
Advances (Excl NPA provn)	409.0	1,475.2	1,731.9	950.1	5,213.7	6,931.7	12,235.6	17,149.1	99,637.9	27,118.2	80,600.5	253,452.9
Fixed Assets	-	-	-	-	-	-	-	-	-	-	5,458.7	5,458.7
Other Assets (net)	152.5	157.5	86.8	440.4	809.0	425.5	551.1	1,797.1	5,035.5	1,883.8	1,926.8	13,266.0
Total	26,897.3	2,877.1	2,437.2	1,813.9	6,603.6	8,810.7	17,309.3	27,357.2	123,710.3	41,829.2	125,405.6	385,051.4

5 (f) Advances and Provisions:

(₹ million)

Particulars	As on March 31, 2020
(a) Amount of NPAs (Gross)	6,315.1
i. Substandard	3,847.4
ii. Doubtful 1	1,665.8
iii. Doubtful 2	666.3
iv. Doubtful 3	65.3
v. Loss	70.3
(b) Net NPAs	2,935.1
(c) NPA Ratios	
i. Gross NPAs to gross advances (%)	2.46 %
ii. Net NPAs to Net Advances (%)	1.16 %
(d) Movement of NPAs (Gross)	
i. Opening balance (as on March 31, 2019)	4,394.8
ii. Additions during the year	6,640.5
iii. Reductions during the year	4,720.2
iv. Closing balance	6,315.1
(e) Movement of provisions for NPAs (excluding provision on Standard Assets)	
i. Opening balance (as on March 31, 2019)	2,857.1
ii. Provision made during the year	2,582.1
iii. Write-off / write-back of excess provisions	2,068.0
iv. Closing balance	3,371.2

(₹ million)

Particulars	As on March 31, 2020
(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, 2019)	123.5
ii. Add: Provision made during the year	34.6
iii. Less: Write-off/ write-back of excess provision during the year (including depreciation utilised on the sale of securities)	49.6
iv. Closing balance	108.5

6. CREDIT RISK: Disclosures for portfolio subject to the Standardised Approach

6 (a) The Bank has used the ratings of the following domestic external credit rating agencies (arranged in alphabetical order) for the purposes of risk weighting their claims for capital adequacy purposes:

- Brickwork Ratings India Pvt. Limited (Brickwork)
- CARE Ratings Limited
- CRISIL Limited
- ICRA Limited

- e. India Ratings and Research Private Limited (India Ratings) and
- f. SME Rating Agency of India Ltd (SMERA)
- g. Infomerics Valuation and Rating Private Limited

International credit rating agencies (arranged in alphabetical order) for the purposes of risk weighting their claims for capital adequacy purposes where specified:

- a. Fitch;
- b. Moody's; and
- c. Standard & Poor's

6 (b) A description of the process used to transfer public issuer ratings onto comparable assets in the banking book:

- Bank has used short term ratings for assets with maturity upto one year and long-term ratings for assets maturing after one year as accorded by the approved external credit rating agencies.
- Bank has not cherry picked ratings. Bank has not used one rating of a CRA (Credit Rating Agency) for one exposure and another CRA's rating for another exposure on the same counterparty unless only one rating is available for a given exposure.
- Notwithstanding the repayable on demand condition, cash credit exposures have been subjected to Long-term rating.
- If an issuer has a long term external credit rating that warrants RW (Risk Weight) of 150%, all unrated exposures on the same issuer whether long or short is assigned the same 150% RW unless mitigated by recognised Credit Risk Mitigation (CRM) techniques.
- Bank has used only solicited rating from the recognised CRAs. In case the issuer has multiple ratings from CRAs, the Bank has a policy of choosing (if there are two or more ratings) lower rating.
- Where RW associated with the rating by a CRA for a specific investment instrument is lower than one corresponding to unrated exposure, but the Bank's exposure is not in that instrument but some other debt, the RW for the rated exposure has been applied to Bank's unrated exposure provided the latter ranks pari-passu or senior to the specific rated exposure and the maturity of Bank's claim is not later than the rated exposure.
- If either the issuer or a single issue has been rated warranting RW equal or higher than unrated claim, a claim on the same issuer which is unrated but ranks pari-passu or subordinate to the rated exposure has

been assigned the same RW as applicable to the rated exposure.

- No recognition of CRM technique has been taken into account in respect of a rated exposure if that has already been factored by the CRA while carrying out the rating.

For exposure amounts after risk mitigation subject to the standardised approach, amount of a Bank's outstanding (rated and unrated) in the following three major risk buckets as well as those that are deducted as on March 31, 2020 are as follows:

(₹ million)		
Particulars	Fund based	Non fund based
Below 100% risk weight	2,19,691.9	7,480.0
100% risk weight	54,456.6	2,352.2
More than 100% risk weight	8,509.4	5,218.4
Total	2,82,657.2	15,050.6

7. CREDIT RISK MITIGATION: Disclosures for Standardised Approach

- 7 (a) The Bank has adopted Credit Risk Mitigation (CRM) Techniques and Collateral Management (CM) guidelines issued by RBI under Master circular – Prudential guidelines on capital Adequacy and Market Discipline – New Capital Adequacy Framework (NCAF) (vide RBI Master Circular dated July 01, 2015).

Bank has utilised credit risk mitigation in the case of Bank's own deposits, Kisan Vikas Patra, LIC policies, National Saving Certificate and gold, wherever the collateral is identifiable, marketable and enforceable and complies with RBI requirements. Sovereign exposures and Sovereign guaranteed exposures are risk weighted as per RBI directives.

The general principles applicable for use of credit risk mitigation techniques are as under:

- i. No transaction in which Credit Risk Mitigation (CRM) techniques are used has been assigned higher capital requirement than as otherwise identical transaction where such techniques are not used.
- ii. The Bank has taken care to see that effects of CRM are not double counted. To ensure this no additional supervisory recognition of CRM for regulatory capital purposes are made available on claims for which an issue-specific rating is used that already reflects that CRM.
- iii. Principal-only ratings will not be allowed within the CRM framework. The rating should cover principal and interest.

Bank has therefore put in place robust procedures and processes to control these risks, including strategy, consideration of the underlying credit, valuation, policies and procedures systems, control of roll-off risks, and management of concentration risk arising from the use of CRM techniques and its interaction with the Bank's overall credit risk profile.

7 (b) Eligible Financial Collateral:

The following collateral instruments are eligible for recognition in the comprehensive approach: -

- i. Cash (as well as certificates of deposit or comparable instruments, including fixed deposit receipts, issued by the lending bank) on deposit with the bank which is incurring the counterparty exposure.
- ii. Gold: Gold would include both bullion and jewellery. However, the value of the collateralized jewellery should be arrived at after notionally converting these to 99.99 purity.
- iii. Securities issued by Central and State Governments
- iv. Kisan Vikas Patra and National Savings Certificates provided no lock-in period is operational and if they can be encashed within the holding period.
- v. Life insurance policies with a declared surrender value of an insurance company which is regulated by an insurance sector regulator.
- vi. Debt securities rated by a chosen Credit Rating Agency in respect of which banks should be sufficiently confident about the market liquidity where these are either:
 - a) Attracting 100 per cent or lesser risk weight i.e., rated at least BBB(-) when issued by public sector entities and other entities (including banks and Primary Dealers); or
 - b) Attracting 100 per cent or lesser risk weight i.e., rated at least CARE A3/ CRISIL A3/ India Ratings and Research Private Limited (India Ratings) A3/ICRA A3/Brickwork A3/ SMERA A3 for short-term debt instruments.
- vii. Debt Securities not rated by a chosen Credit Rating Agency in respect of which banks should be sufficiently confident about the market liquidity where these are:
 - a) issued by a bank; and
 - b) listed on a recognized exchange; and

- c) classified as senior debt; and
- d) all rated issues of the same seniority by the issuing bank are rated at least BBB(-) or CARE A3/ CRISIL A3/ India Ratings and Research Private Limited (India Ratings) A3/ICRA A3/ Brickwork A3/SMERA A3 by a chosen Credit Rating Agency; and
- e) the bank holding the securities as collateral has no information to suggest that the issue justifies a rating below BBB(-) or CARE A3/ CRISIL A3/ India Ratings and Research Private Limited (India Ratings) A3/ICRA A3/Brickwork A3/ SMERA A3 (as applicable) and;
- f) Banks should be sufficiently confident about the market liquidity of the security.
- viii. Units of Mutual Funds regulated by the securities regulator of the jurisdiction of the bank's operation mutual funds where:
 - a) A price for the units is publicly quoted daily i.e., where the daily NAV is available in public domain; and
 - b) Mutual fund is limited to investing in the instruments listed in this paragraph.
- ix. Re-securitisations, irrespective of any credit ratings, are not eligible financial collateral.

(₹ million)

Particular	As on March 31, 2020
Total exposure covered by eligible financial collateral after application of applicable haircuts	22,605.9
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 2019-20, the Bank has made investments in securitized assets by way of Pass Through Certificates, aggregating to ₹ 20,189.1 million, the outstanding of this as on March 31, 2020 was ₹ 12,239.0 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, 2020.

(₹ million)

Financial Year	Original Investment	Outstanding at March 31, 2020
2016-17	5,394.0	533.3
2017-18	1,678.7	548.3
2018-19	10,890.9	1,921.5
2019-20	20,189.1	12,239.0
Total	38,152.8	15,242.1

9. MARKET RISK IN TRADING BOOK

Market risk refers to the uncertainty of future earnings resulting from changes in interest rates, foreign exchange rates, market prices and volatilities. The Bank assumes market risk in its lending and deposit taking businesses and in its investment activities, including position taking and trading. The market risk is managed in accordance with the investment policies, which are approved by the Board. These policies ensure that operations in securities, foreign exchange and derivatives are conducted in accordance with sound and acceptable business practices and are as per the extant regulatory guidelines, laws governing transactions in financial securities and the financial environment. Market Risk in Trading Book is assessed as per the Standardised Duration approach. The capital charge for Held for Trading (HFT) and Available for Sale (AFS) portfolios is computed as per Reserve Bank of India prudential guidelines.

Market risk management objectives:

The objectives of market risk management are as follows:

- Management of liquidity
- Management of interest rate risk and exchange rate risk.
- Proper classification and valuation of investment portfolio
- Adequate and proper reporting of investments and derivative products
- Compliance with regulatory requirements

Structure and organisation of the market risk management function:

The Board, through Risk Management Committee, approves the policies with regard to identification, measurement and control of market risks (Interest Rate Risk and Foreign Exchange Risk) and Liquidity Risk. Market Risk department is an independent function. The Market Risk Department

exercises independent control over the process of market risk management and recommends changes in processes and methodologies for measuring Market Risk.

Strategies and processes:

To comply with the regulatory guidelines and to have independent control groups there is clear functional separation of:

- Trading (Front office)
- Monitoring and control (Middle office) and
- Settlements (Back office)

The strategy/guidelines for controlling market risk include:

- Direct involvement of experienced line management
- Stringent controls and limits
- Strict segregation of front, middle and back office duties
- Comprehensive periodical reporting of positions
- Regular independent reviews of all controls and limits
- Rigorous testing and auditing of all pricing, trading and risk management

The scope and nature of risk reporting and measurement systems:

Reporting:- The Bank periodically reports on the various investments and their related risk measures to the senior management and the committees of the Board. The Bank also periodically reports to its regulator in compliance with regulatory requirements.

Measurement : - The Bank has devised various risk metrics for measuring market risk. These are reported to Asset Liability Management Committee by Market Risk Management Department. Some of the risk metrics adopted by the Bank for monitoring its risks are Value-at-Risk, Earnings at Risk, Modified Duration, Stop Loss limits amongst others.

Capital requirements for market risk

(₹ million)

Particulars	As on March 31, 2020
• Interest Rate Risk	613.9
• Foreign Exchange Risk (Including gold)	54.0
• Equity Risk	123.8
Capital requirement for Market Risk	791.7

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, 2020 is ₹ 1,915.4 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	(603.5)	(301.7)	301.7	603.5
USD	3.3	1.7	(1.7)	(3.3)
JPY	0.0	0.0	0.0	0.0
GBP	0.4	0.2	(0.2)	(0.4)
EUR	(4.3)	(2.1)	2.1	4.3
Total	(604.1)	(302.0)	302.0	604.1

ii) Impact on economic value of equity:

(₹ million)

Currency	Changes in interest rates (in bps)			
	(100)	(50)	50	100
INR	2026.2	1013.1	(1013.1)	(2026.2)

* 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, 2020

(₹ million)

	Notional Amount	Gross positive fair value of contracts	Potential future exposure	Total credit exposure
Forward contracts	7,412.40	128.6	174.5	303.1

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)	16,755.40	A=a1+a2
2	Retained earnings	7,626.09	b1
3	Accumulated other comprehensive income (and other reserves)	8,129.77	C=c1+c2+c3+c4-c5+c6
4	<i>Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)</i>	-	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	
6	Common Equity Tier I capital before regulatory adjustments	32,511.26	
Common Equity Tier 1 capital: regulatory adjustments			
7	Prudential valuation adjustments	-	
8	Goodwill (net of related tax liability)	-	
9	Intangibles (net of related tax liability)	-	
10	Deferred tax assets	-	
11	Cash-flow hedge reserve	-	
12	Shortfall of provisions to expected losses	-	
13	Securitisation gain on sale	-	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	
15	Defined-benefit pension fund net assets	-	
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	-	
17	Reciprocal cross-holdings in common equity	-	
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	-	
20	Mortgage servicing rights (amount above 10% threshold)	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	
22	Amount exceeding the 15% threshold	-	
23	of which: significant investments in the common stock of financial entities	-	
24	of which: mortgage servicing rights	-	
25	of which: deferred tax assets arising from temporary differences	-	
26	National specific regulatory adjustments (26a+26b+26c+26d)	-	
26a	of which: Investments in the equity capital of unconsolidated insurance subsidiaries	-	
26b	of which: Investments in the equity capital of unconsolidated non-financial subsidiaries	-	

26c	of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank	-	
26d	of which: Unamortised pension funds expenditures	-	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	
28	Total regulatory adjustments to Common equity Tier 1	-	
29	Common Equity Tier 1 capital (CET1)	32,511.26	
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)	32,511.26	
Tier 2 capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	6,866.00	d

47	Directly issued capital instruments subject to phase out from Tier 2	-	
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-	
49	of which: instruments issued by subsidiaries subject to phase out	-	
50	Provisions	2,153.59	E=e1+e2+e3
51	Tier 2 capital before regulatory adjustments	9,019.59	
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)	9,019.59	
59	Total capital (TC = T1 + T2) (45 + 58)	41,530.85	
60	Total risk weighted assets (60a + 60b + 60c)	233,935.60	
60a	<i>of which: total credit risk weighted assets</i>	200,095.60	
60b	<i>of which: total market risk weighted assets</i>	9,896.90	
60c	<i>of which: total operational risk weighted assets</i>	23,943.10	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	13.90%	
62	Tier 1 (as a percentage of risk weighted assets)	13.90%	
63	Total capital (as a percentage of risk weighted assets)	17.75%	
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)	7.38%	
65	<i>of which: capital conservation buffer requirement</i>	1.88%	
66	<i>of which: bank specific countercyclical buffer requirement</i>	-	
67	<i>of which: G-SIB buffer requirement</i>	-	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	6.52%	
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)	2,153.59
77	Cap on inclusion of provisions in Tier 2 under standardised approach	2,501.20
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	2,153.59
	Eligible Revaluation Reserves included in Tier 2 capital	-
	Total of row 50	2,153.59

Table DF-12: Composition of Capital- Reconciliation Requirements

Step 1

(₹ million)

		Balance sheet as in financial statements As on Mar. 31, 2020	Balance sheet under regulatory scope of consolidation As on Mar. 31, 2020
A	Capital & Liabilities		
i	Paid-up Capital	3,104.15	
	Reserves & Surplus	31,107.57	
	Minority Interest	-	
	Employee Stock Options Outstanding	9.80	
	Total Capital	34,221.52	
ii	Deposits	303,699.29	
	of which: Deposits from banks	40,827.82	
	of which: Customer deposits	262,871.47	
	of which: Other deposits (pl. specify)	-	
iii	Borrowings	34,079.51	
	of which: From RBI	410.00	
	of which: From banks	0.00	
	of which: From other institutions & agencies	26,803.51	
	of which: Others (pl. specify) Borrowings from outside India	-	
	of which: Capital instruments	6,866.00	
iv	Other liabilities & provisions	13,051.09	
	Total	385,051.41	
B	Assets		
i	Cash and balances with Reserve Bank of India	10,297.98	
	Balance with banks and money at call and short notice	25,160.72	
ii	Investments:	77,415.03	
	of which: Government securities	61,363.14	
	of which: Other approved securities	-	
	of which: Shares	172.36	
	of which: Debentures & Bonds	150.16	
	of which: Subsidiaries / Joint Ventures / Associates	-	
	of which: Others (Commercial Papers, Mutual Funds, Certificate of Deposits, PTCs etc.)	15,729.37	
iii	Loans and advances	253,452.92	
	of which: Loans and advances to banks	0.00	
	of which: Loans and advances to customers	253,452.92	
iv	Fixed assets	5,458.73	
v	Other assets	13,266.03	
	of which: Goodwill and intangible assets	-	
	of which: Deferred tax assets (Net)	933.60	
vi	Goodwill on consolidation	-	
vii	Debit balance in Profit & Loss account	-	
	Total Assets	385,051.41	

Step 2

(₹ million)

	Balance sheet as in financial statements As on Mar. 31, 2020	Balance sheet under regulatory scope of consolidation As on Mar. 31, 2020	Ref No.
A Capital & Liabilities			
i Paid-up Capital	3,104.15		a1
Reserves & Surplus	31,107.57		
of which:			
Securities Premium	13,651.25		a2
Balance in Profit & Loss account	7,626.09		b1
of which:			
Unallocated Surplus	4,246.73		
Current period profits not reckoned for Capital Adequacy	0.00		
Statutory Reserve	5,483.15		c1
Capital Reserve	669.08		c2
Special Reserve	899.49		c3
Revaluation Reserve	2,373.89		c4
of which			
Not reckoned for Capital Adequacy purposes	1,305.64		c5
Investment Reserve	18.17		e1
Investment Fluctuation Reserve	386.45		e2
Employee Stock Options Outstanding	9.80		c6
Minority Interest	-		
Total Capital	34,221.52		
ii Deposits	303,699.29		
of which: Deposits from banks	40,827.82		
of which: Customer deposits	262,871.47		
of which: Other deposits (pl. specify)	-		
iii Borrowings	34,079.51		
of which: From RBI	410.00		
of which: From banks	0.00		
of which: From other institutions & agencies	26,803.51		
of which: Others (pl. specify) Borrowings from outside India	-		
of which: Capital instruments	6,866.00		d
iv Other liabilities & provisions	13,051.09		
of which: Provision for Standard Assets	1,748.97		e3
of which: DTLs related to goodwill	-		
of which: DTLs related to intangible assets	-		
Total	385,051.41		
B Assets			
i			
Cash and balances with Reserve Bank of India	10,297.98		
Balance with banks and money at call and short notice	25,160.72		
ii Investments	77,415.03		
of which: Government securities	61,363.14		
of which: Other approved securities	-		

	Balance sheet as in financial statements As on Mar. 31, 2020	Balance sheet under regulatory scope of consolidation As on Mar. 31, 2020	Ref No.
of which: Shares	172.36		
of which: Debentures & Bonds	150.16		
of which: Subsidiaries / Joint Ventures / Associates	-		
of which: Others (Commercial Papers, Mutual Funds, Certificate of Deposits, PTC etc.)	15,729.37		
iii Loans and advances	253,452.92		
of which: Loans and advances to banks	0.00		
of which: Loans and advances to customers	253,452.92		
iv Fixed assets	5,458.73		
v Other assets	13,266.03		
of which: Goodwill and intangible assets Out of which:	-		
Goodwill	-		
Other intangibles (excluding MSRs)	-		
Deferred tax assets (Net)	933.60		
vi Goodwill on consolidation	-		
vii Debit balance in Profit & Loss account	-		
Total Assets	385,051.41		

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	16,755.40	A=a1+a2
2 Retained earnings	7,626.09	b1
3 Accumulated other comprehensive income (and other reserves)	8,129.77	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 I capital before regulatory adjustments	32,511.26	
7 Prudential valuation adjustments	-	
8 Goodwill (net of related tax liability)	-	

Main Features of Regulatory Capital Instruments

Sr. No.	Particulars	Equity Shares	Sub-Ordinated Debt	Sub-Ordinated Debt	Sub-Ordinated Debt	Sub-Ordinated Debt
1	Issuer	DCB BANK LIMITED	DCB BANK LIMITED	DCB BANK LIMITED	DCB BANK LIMITED	DCB BANK LIMITED
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE503A01015	INE503A08010	INE503A08028	INE503A08036	INE503A08044
3	Governing law(s) of the instrument	Indian Law	Indian Law	Indian Law	Indian Law	Indian Law
	Regulatory treatment					
4	Transitional Basel III rules	Common Equity Tier 1	Tier 2	Tier 2	Tier 2	Tier 2
5	Post-transitional Basel III rules	Common Equity Tier 1	Tier 2	Tier 2	Tier 2	Tier 2
6	Eligible at solo/group/ group & solo	Solo	Solo	Solo	Solo	Solo
7	Instrument type	Common Shares	Tier 2 Debt Instruments	Tier 2 Debt Instruments	Tier 2 Debt Instruments	Tier 2 Debt Instruments
8	Amount recognised in regulatory capital (₹ in million, as of most recent reporting date)	₹ 3,104 Million	₹ 866 Million	₹ 1,500 Million	₹ 3,000 Million	₹ 1,500 Million
9	Par value of instrument	₹ 10 per share	₹ 866 Million and each debenture of ₹ 1 Million	₹ 1,500 Million and each debenture of ₹ 0.1 Million	₹ 3,000 Million and each debenture of ₹ 0.1 Million	₹ 1,500 Million and each debenture of ₹ 0.1 Million
10	Accounting classification	Shareholder's Equity	Liability	Liability	Liability	Liability
11	Original date of issuance	Various*	31.03.2016	18.11.2016	17.11.2017	12.01.2018
12	Perpetual or dated	Perpetual	Dated	Dated	Dated	Dated
13	Original maturity date	No Maturity	30.04.2026	18.11.2026	17.11.2027	12.01.2028
14	Issuer call subject to prior supervisory approval	No	Yes	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	NA	Call option exercisable only if the instrument has run for five years; First call date is 01.04.2021; Call option can be exercised only with the prior approval of RBI. These Bonds are redeemable at Par.	Call option exercisable only if the instrument has run for five years; First call date is 19.11.2021; Call option can be exercised only with the prior approval of RBI. These Bonds are redeemable at Par.	Call option exercisable only if the instrument has run for five years; First call date is 18.11.2022; Call option can be exercised only with the prior approval of RBI. These Bonds are redeemable at Par.	Call option exercisable only if the instrument has run for five years; First call date is 13.01.2023; Call option can be exercised only with the prior approval of RBI. These Bonds are redeemable at Par.
16	Subsequent call dates, if applicable	NA	Any date after 01.04.2021, with the prior approval of RBI.	Any date after 19.11.2021, with the prior approval of RBI.	Any date after 18.11.2022, with the prior approval of RBI.	Any date after 13.01.2023, with the prior approval of RBI.
	Coupons / dividends					
17	Fixed or floating dividend/ coupon	NA	Fixed	Fixed	Fixed	Fixed
18	Coupon rate and any related index	NA	10.25% per annum	9.85% per annum	9.85% per annum	9.85% per annum

Sr. No.	Particulars	Equity Shares	Sub-Ordinated Debt	Sub-Ordinated Debt	Sub-Ordinated Debt	Sub-Ordinated Debt
19	Existence of a dividend stopper	NA	No	No	No	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Partially discretionary	Partially discretionary	Partially discretionary	Partially discretionary
21	Existence of step up or other incentive to redeem	No	No	No	No	No
22	Noncumulative or cumulative	Non-cumulative	Cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	NA	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	NA	NA	NA	NA	NA
25	If convertible, fully or partially	NA	NA	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA	NA	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA	NA	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA	NA	NA	NA
30	Write-down feature	No	Yes	Yes	Yes	Yes
31	If write-down, write-down trigger(s)	NA	PONV Trigger	PONV Trigger	PONV Trigger	PONV Trigger
32	If write-down, full or partial	NA	Fully or Partially	Fully or Partially	Fully or Partially	Fully or Partially
33	If write-down, permanent or temporary	NA	Permanent	Permanent	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism	NA	NA	NA	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	NA	The Claims of debenture holder (s) shall be: (i) Senior to the claims of investors in instruments eligible for inclusion in Tier 1 Capital of the Bank and (ii) Subordinate to the claims of all depositors and general creditors of the Bank	The Claims of debenture holder (s) shall be: (i) Senior to the claims of investors in instruments eligible for inclusion in Tier 1 Capital of the Bank and (ii) Subordinate to the claims of all depositors and general creditors of the Bank	The Claims of debenture holder (s) shall be: (i) Senior to the claims of investors in instruments eligible for inclusion in Tier 1 Capital of the Bank and (ii) Subordinate to the claims of all depositors and general creditors of the Bank	The Claims of debenture holder (s) shall be: (i) Senior to the claims of investors in instruments eligible for inclusion in Tier 1 Capital of the Bank and (ii) Subordinate to the claims of all depositors and general creditors of the Bank
36	Non-compliant transitioned features	No	No	No	No	No
37	If yes, specify non-compliant features	NA	NA	NA	NA	NA

* Date of allotment of Equity Shares are available on the Bank's website at following link: http://www.dccb.com/pdfs/DCB_Capital_Structure_of_the_Bank_as_on_31st_March_2020.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	361,901.41
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	303.14
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	23,150.00
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	22,684.50
7	Other adjustments	
8	Leverage ratio exposure	408,039.05

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)	361,901.41
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)	361,901.41
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	128.58
5	Add-on amounts for PFE associated with all derivatives transactions	174.55
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)	303.14
Securities financing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	23,150.00
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-
14	CCR exposure for SFT assets	-
15	Agent transaction exposures	-
16	Total securities financing transaction exposures (sum of lines 12 to 15)	23,150.00
Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	53,138.20
18	(Adjustments for conversion to credit equivalent amounts)	30,453.70
19	Off-balance sheet items (sum of lines 17 and 18)	22,684.50
Capital and total exposures		
20	Tier 1 capital	32,511.26
21	Total exposures (sum of lines 3, 11, 16 and 19)	408,039.05
Leverage ratio		
22	Basel III leverage ratio (per cent)	7.97%

Notes

SFT : Securities Financing Transactions

PFE : Potential Future Exposure

CCP : Central Counterparty

CCR : Counterparty Credit Risk

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Annexure-I to the Directors' Report

Statement under Section 197(12) of the Companies Act 2013, read with the companies (Appointment and Remuneration of Managerial Personnel) rule, 2014 and as amended and forming part of the Directors' Report for the year ended March 31, 2020. Employed throughout the year and were in receipt of remuneration at the rate of not less than Rs. 1,02,00,000/- per annum.

Sr No	Emp No	Name of the employee	Date of Joining	Designation	Qualification	Age	Expeerience Years	Remuneration Rs.	Last Employment
1	2119	VENKATRESH R	15-Dec-2005	HEAD OPERATIONS TECHNOLOGY & HUMAN RESOURCES	B. Com., PGDPM (MBA)	52	29	2,04,37,626	STANDARD CHARTERED BANK LTD.
2	4296	PRAVEEN ACHUTHAN KUTTY	30-Jul-2007	HEAD RETAIL & SME BANKING	B.Com., MBA	53	29	2,72,03,313	CITI BANK
3	5857	ABHIJIT BOSE	16-Jun-2008	CHIEF CREDIT OFFICER	B.Com., CA (Inter)	56	28	1,28,66,983	STANDARD CHARTERED BANK LTD.
4	6095	BHARAT LAXMIDAS SAMPAT	11-Sep-2008	CHIEF FINANCIAL OFFICER	B.Com., LLB, ACA, AICWA, ACS	59	34	1,82,35,579	ABN AMRO BANK
5	6170	AJAY MATHUR	29-Sep-2008	HEAD COLLECTIONS & COMMERCIAL VEHICLES	B.A	49	28	1,08,71,267	CITI BANK
6	7712	MURALIM NATRAJAN	29-Apr-2009	MANAGING DIRECTOR & CEO	B. Com., CA	58	35	5,54,70,104	STANDARD CHARTERED BANK LTD.
7	7771	SUKESH BHOWAL	14-Aug-2009	HEAD MORTGAGES & GOLD LOANS	B.Tech (Mechanical Engineering), PGD (Management)	47	27	1,06,06,654	HDB Financial Service LTD
8	8131	SRIDHAR SESHADRI	12-Nov-2009	CHIEF RISK OFFICER	M.Com, CAIIB	57	38	1,03,98,596	ICICI BANK LTD.
9	8914	JAYARAMAN VISHWANATH	07-Jul-2010	HEAD CORPORATE BANKING	B.E., PGDM (Finance & Marketing)	52	27	1,71,12,556	FULLERTON INDIA CREDIT CO. LTD
10	14970	RAJESH CHANDRA VERMA	02-Feb-2015	HEAD TREASURY, CORRESPONDENT BANKING & TRADE FINANCE	M.Sc. (Chemistry), ACIB, CAIIB, CISA	65	40	1,49,79,126	STATE BANK OF INDIA

Employed for part of the year and were in receipt of remuneration at the rate of not less than Rs. 8,50,000/- per Month.

NIL

Notes :

1. Remuneration shown above includes salary ,Allowance, Medical, Leave Travel Concession, Arrears of Salary, Bonus, Ex-Gratia, Bank's contribution towards Provident Fund, NPS and Monetary value of perquisites as per income tax rule excluding perquisites on ESOP.
2. Nature of employment is contractual.
3. None of the above employee is related to the any director of the bank.

On behalf of the Board of Directors

Sd/-

Nasser Munjee
Chairman