

# Annual Report 2023-2024



## Bandhan Bank 2.0

Springboarding into the future

# Stories Inside

## Corporate Overview

- 1 Introduction to Theme
- 2 Company Overview
- 4 Our Journey so Far
- 6 Key Performance Indicators
- 10 Chairman's Message
- 12 MD & CEO's Message
- 16 Board of Directors
- 23 Core Management Team
- 24 Diversified Product Suite
- 33 Information Technology
- 35 Operational Excellence
- 36 Human Capital
- 40 Risk Management
- 44 Building Brand Bandhan Bank
- 46 Treasury Management
- 46 Compliance
- 47 Stories of Transformation
- 50 Committed to Making a Difference in the Communities

## Statutory Reports

- 54 Board's Report
- 84 Report on Corporate Governance
- 123 Management Discussion and Analysis Report
- 137 Business Responsibility & Sustainability Report

## Financial Statement

- 178 Financial Statement

## About this Report

The Bank's key purpose is to ensure that every individual falls under the purview of formal banking. In order to achieve this, the Bank is reaching out to the unbanked and under-banked population of the country and providing the rightful access to basic banking and financial services while also catering to metro and urban India through its various products and services. This demonstrates how the Bank is living its purpose.

## Forward-looking Statement

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Bank's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Bank cannot guarantee that these assumptions and expectations are accurate or will be realised. The Bank's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Bank assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events. The Bank has sourced the industry information from the publicly available resources and has not verified those information independently.



To view this report online, please visit the investors' corner section at:

**[www.bandhanbank.com](http://www.bandhanbank.com)**

# Bandhan Bank 2.0

## Springboarding into the future

### Leaping Forward and Upward

Bandhan Bank has laid a robust foundation, setting the stage for an ambitious leap into the future. The trust of its customers has been pivotal to the Bank's success, and the Bank is committed to strengthening this trust by continuing to provide a superior banking experience.

Bandhan Bank's journey forward is driven by key investments in cutting-edge technology, enhanced digital experience, nurturing talent development, and an extensive distribution network. These focus areas ensure that the Bank develops a more capable and resilient ecosystem to drive future growth, while ensuring effective risk management and strong compliance.

With a commitment to continually enhancing customer experience, fostering innovation and creating greater on-ground impact, the Bank is ready for its next growth phase.

This year's theme – **'Bandhan Bank 2.0: Springboarding into the future'** – captures the very essence of the Bank's journey, leveraging the strong foundation built over the years.



# Company Overview

Bandhan Bank remains steadfast in its commitment to inclusive growth, embodying the principle of 'Aapka Bhala, Sabki Bhalai'. This philosophy underscores the Bank's mission to provide comprehensive banking solutions that cater to all customers. Trust is the cornerstone of the Bank's relationship with its customers built through consistent demonstration of reliability and integrity. By offering a wide range of financial services, the Bank continues to build a strong reputation as a preferred banking partner for all - whoever and wherever they may be.

## Your Bank's Philosophy



### Vision

To be a world class bank for convenient and affordable financial solutions to all, in an inclusive and sustainable manner.



### Mission

To provide our customers with accessible, simple, cost-effective and innovative financial solutions in a courteous and responsible manner. To create value for all stakeholders with a committed team, robust policies and superior systems and technology.

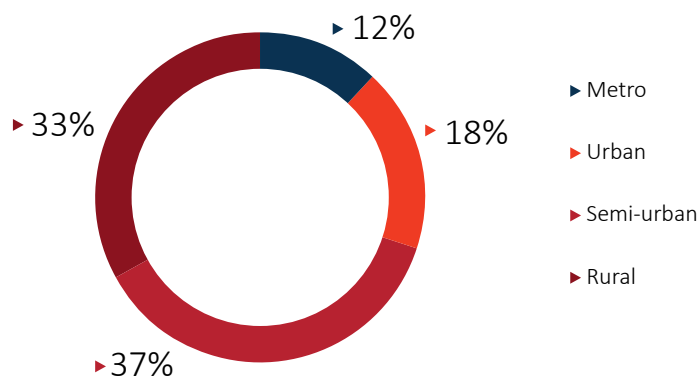


### Values

- C** ▶ Cost-Effective & Simple
- R** ▶ Respect for All
- E** ▶ Exemplary Governance
- A** ▶ Accountability, Professionalism & Discipline
- T** ▶ Transparency & Integrity
- E** ▶ Effective Teamwork & Commitment

The Bank's dedication to inclusive and sustainable development remains resolute through offering comprehensive 360-degree financial services tailored to meet the dynamic demands of its customers. From the country's last-mile population to tier-1 cities, Bandhan Bank ensures that services are accessible to all. By focussing on inclusive and last-mile banking, the Bank not only helps to transform lives but also drives economic growth across diverse regions. Whether through innovative digital banking, retail banking, or SME banking, the Bank consistently strives to meet and exceed customer expectations.

## Banking Outlets as on March 31, 2024\*

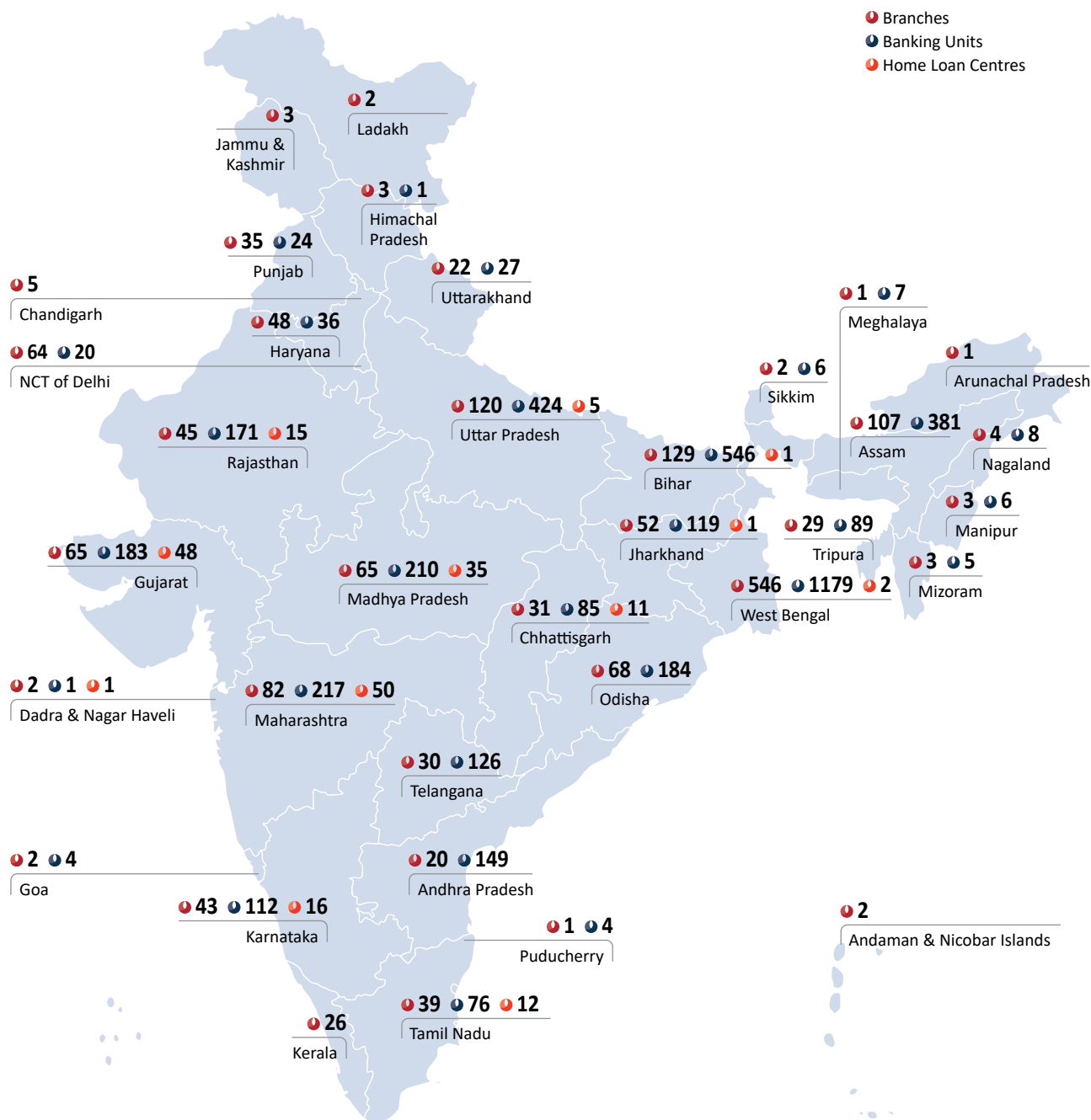


\*Basis original classification at the time of opening



## Growing Footprint

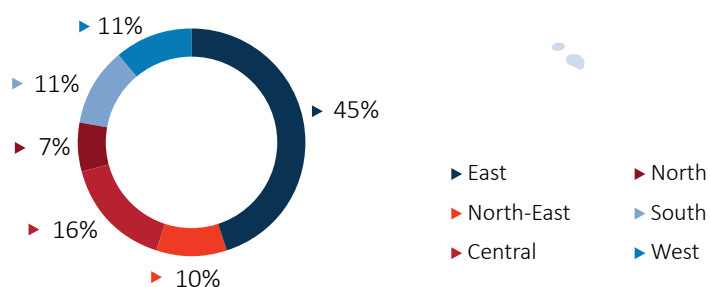
The Bank has continued its growth trajectory through its expanded reach, now serving over 3.35 crore customers across 35 states and union territories. This extensive outreach is made possible through a vast network of nearly 6,300 banking outlets, ensuring accessibility and convenience for customers nationwide.



## Expanding Nationwide Presence

The Bank is committed to extending its reach nationwide. While it maintains a strong presence in the East, the Bank is actively diversifying geographically and expanding its footprint.

## Distribution of Banking Outlets as on March 31, 2024



## Our Journey so Far

With humble beginnings as an NGO to becoming India's largest NBFC-MFI and to a universal bank, the journey of Bandhan Bank has seen many transformations.

The growth story has been made possible because of the trust and faith reposed by all stakeholders.

### ► 2001

Started as a society that stood for financial inclusion and women empowerment through sustainable livelihood creation, along with the launch of microfinance operations in rural Bengal.

### ► 2009

Microfinance portfolio was transferred from society to NBFC.

### ► 2006

Acquired an NBFC and established Bandhan Financial Services Private Limited, with continued focus on financial inclusion.

### ► 2010

Became the largest microfinance institution (MFI) in the country.

### ► 2015

Started operations as a universal bank on August 23, with 2,523 banking outlets, after becoming India's first microfinance institution to get a universal banking licence.



## ► 2019

Bandhan Bank acquired the stake of HDFC Limited in GRUH Finance, one of India's foremost affordable housing finance companies.

## ► 2023

Migrated to a new state-of-the-art Core Banking System (CBS).

## ► 2022

Crossed the milestone of ₹2,00,000 crore of total business.

## ► 2021

Crossed the milestone of ₹1,50,000 crore of total business.

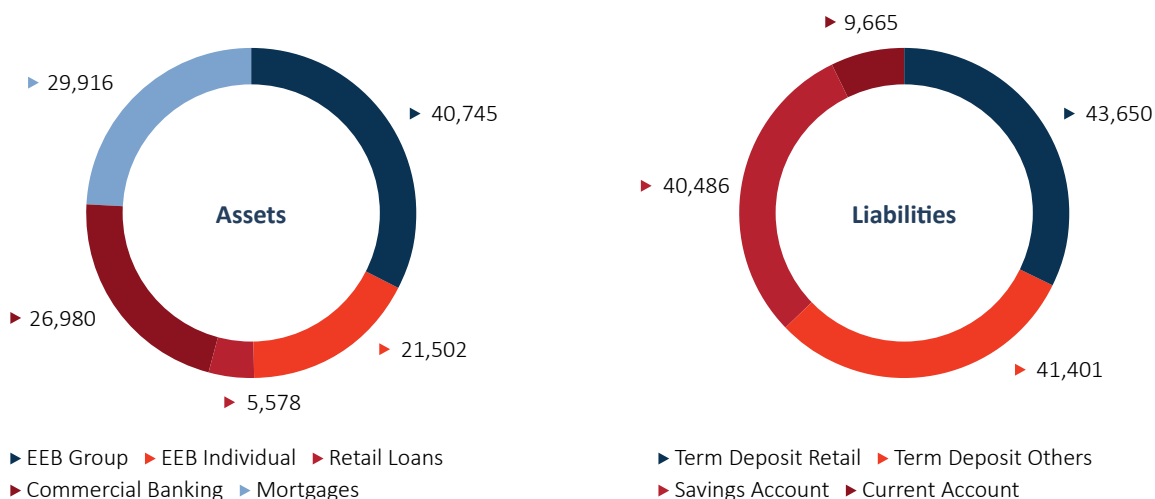
## ► 2018

Emerged as the 8<sup>th</sup> most valued bank in India on the basis of market capitalisation on the day of listing on stock exchanges.

## Key Performance Indicators

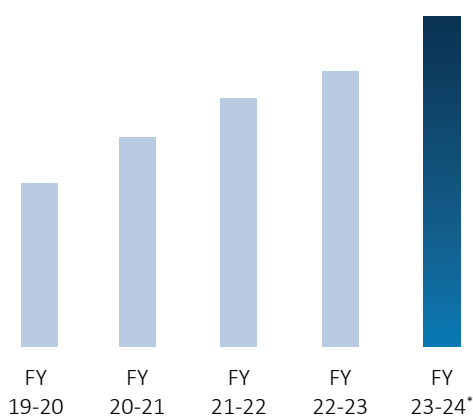
The Bank has continued its growth momentum throughout the reporting period. The Bank's focus on technology, people, distribution, process and risk management ensured a year of sustained business growth.

### Business Mix in FY 23-24 (₹ in crore)



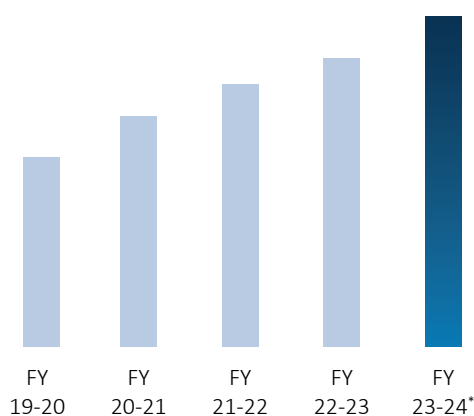
### Total Business (₹ in crore)

1,28,928   1,65,015   1,95,669   2,17,191   **2,59,923**



### Advances (₹ in crore)

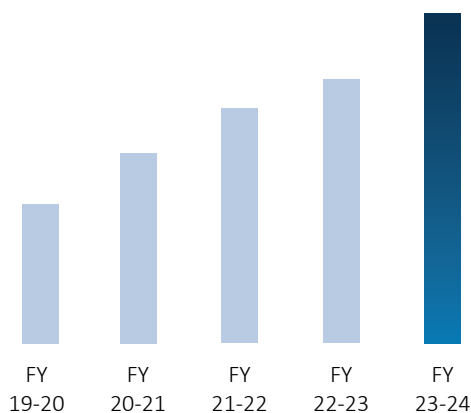
71,846   87,043   99,338   1,09,122   **1,24,721**



\*(TLTRO amount ₹147 crore includes in FY 23-24 Advance)

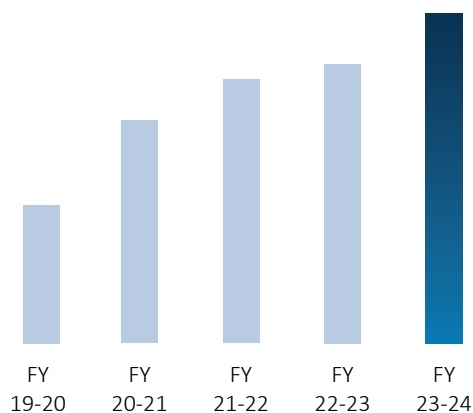
## Deposits

(₹ in crore)

57,082 77,972 96,331 1,08,069 **1,35,202**

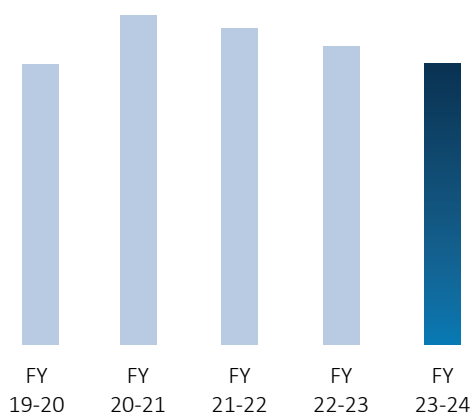
## CASA

(₹ in crore)

21,028 33,827 40,079 42,455 **50,151**

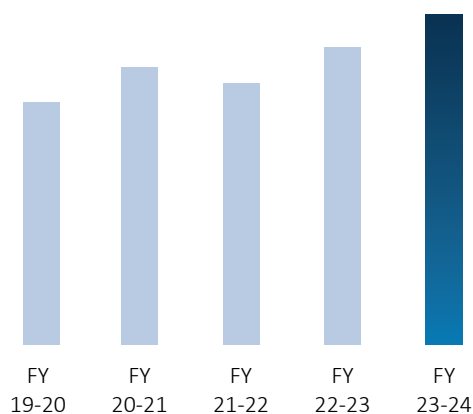
## CASA Ratio

(%)

36.84 43.38 41.61 39.29 **37.09**

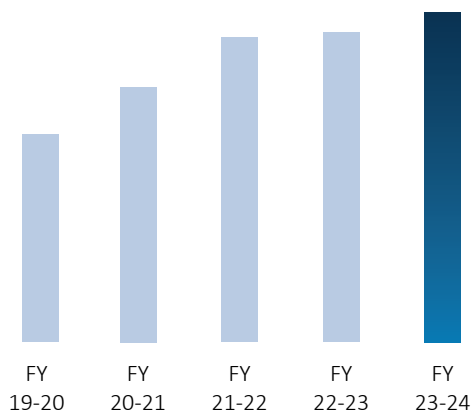
## Net Worth

(₹ in crore)

14,975 17,148 16,130 18,402 **20,366**

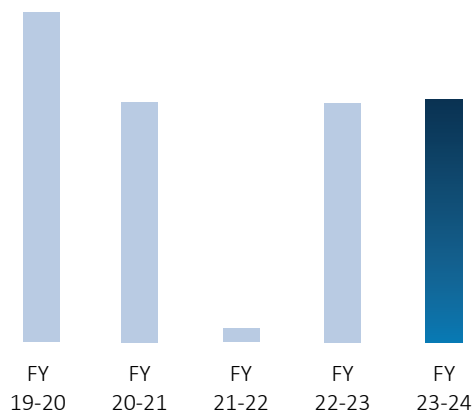
## Net Total Income

(₹ in crore)

7,873 9,586 11,537 11,728 **12,490**

## Profit After Tax

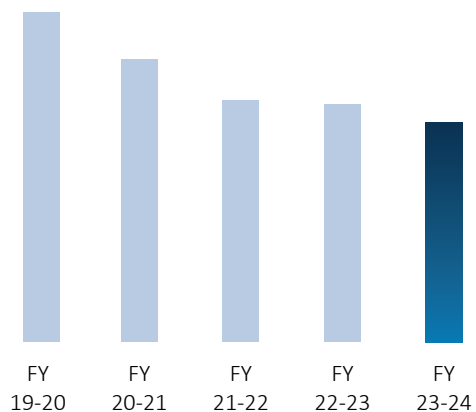
(₹ in crore)

3,024 2,205 126 2,195 **2,230**



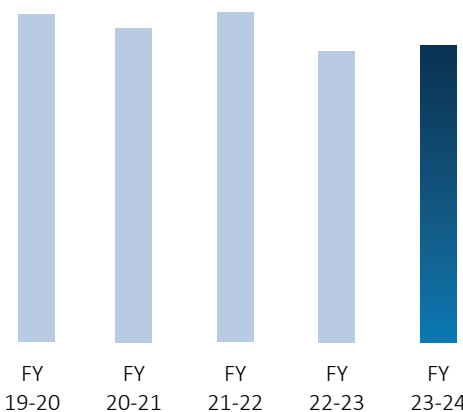
### Capital Adequacy Ratio (%)

27.43    23.47    20.10    19.76    **18.28**



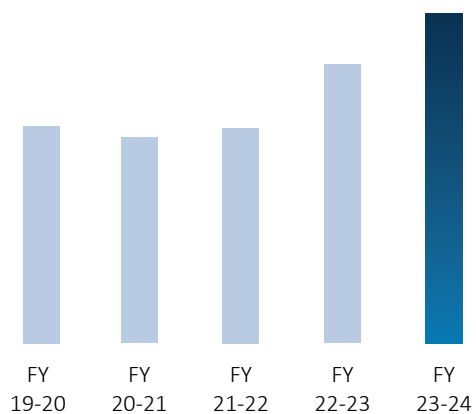
### Net Interest Margin (%)

8.12    7.78    8.17    7.21    **7.35**



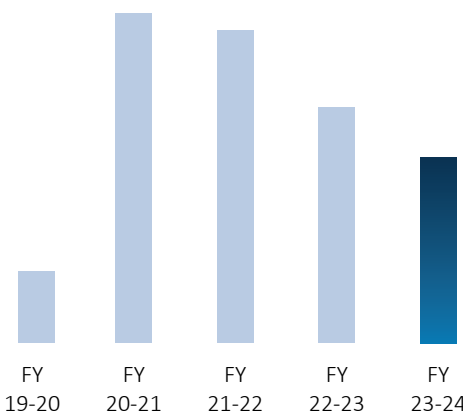
### Cost to Income Ratio (%)

30.82    29.39    30.54    39.54    **46.84**



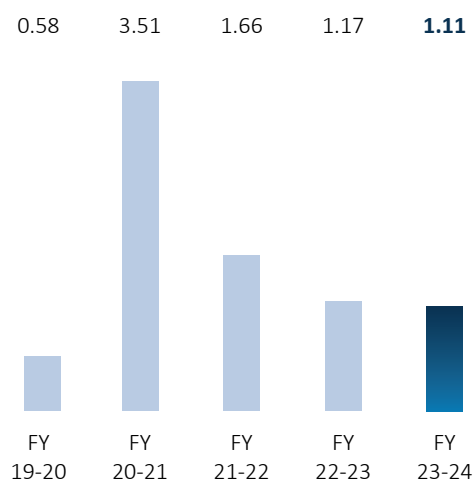
### Gross NPA (%)

1.48    6.81    6.46    4.87    **3.84**

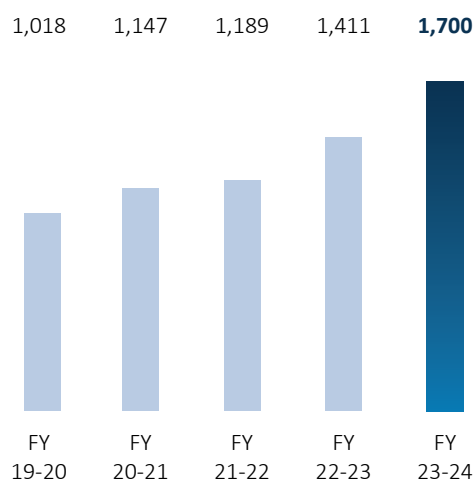


## Net NPA

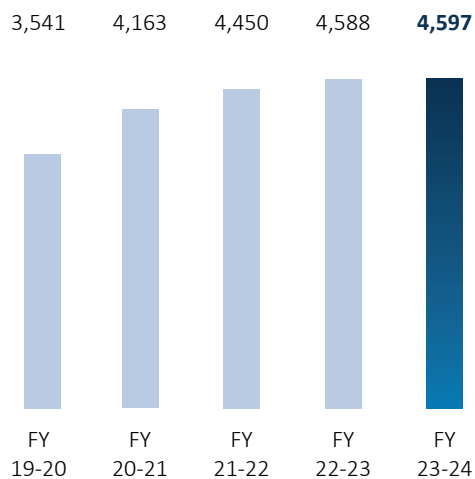
(%)



## Branches

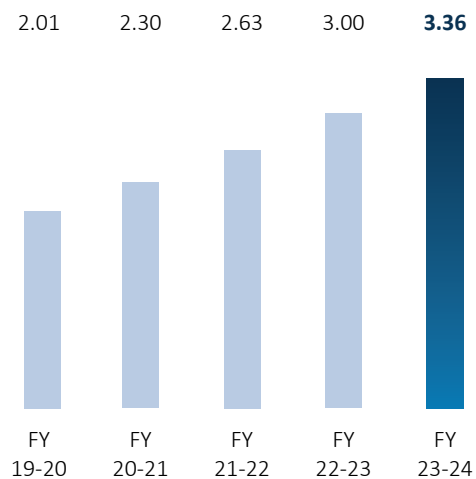


## Banking Units



## Number of Customers

(in crore)



# Chairman's Message



As Bandhan Bank embarks on a new era of growth, a strong leadership team is critical for steering the next phase of this journey. In FY 22-23, the Bank announced the appointment of Ratan Kumar Kesh as the Chief Operating Officer. The Board was delighted to welcome Rajinder Kumar Babbar, Chief Business Officer, in the year in review.

## Dear Shareholders,

It is my immense privilege to present Bandhan Bank's Annual Report for the year ended March 31, 2024. Throughout the year, the Board has focussed on ensuring your Bank's progress towards long-term strategic goals, including portfolio and geographical diversification, while building new capabilities to unlock further value-generating opportunities. Today, with a presence in 35 states and union territories in India, nearly 6,300 banking outlets, and a loyal customer base of over 3.35 crore, your Bank is successfully executing its strategy and progressing on the path to becoming a stronger universal bank. Moreover, your Bank continues to have a positive and significant impact on its customers and the wider communities, reiterating its steadfast commitment to inclusive banking in line with your Bank's philosophy of Aapka Bhala, Sabki Bhalai.

### Indian Economic Review

Against the backdrop of global uncertainty, India continues to be an outlier in terms of GDP growth. In FY 23-24, the economy grew by a robust 8.2%, driven primarily by strong growth in investments, manufacturing, and government spending. The growth in investments is particularly significant for the revival of the capital expenditure cycle, which supports long-term economic growth. Despite the challenges,

Bandhan Bank has shown remarkable resilience and is well-positioned to navigate these uncertain times.

However, since mid-2022, investments and GDP growth have recovered much faster than consumption. This divergence is significant, as household consumption accounts for approximately 60% of nominal GDP. One of the primary reasons for muted household consumption has been the lagged impact of the pandemic across consumer segments, exacerbated by subsequent global uncertainties. However, it is heartening to witness that, of late, high-frequency indicators have started improving, including for the rural economy.

After a challenging fiscal deficit of 9.2% of GDP in FY 20-21 due to COVID-related expenditures, India's fiscal landscape has shown remarkable resilience, with the deficit narrowing to 5.6% of GDP by FY 23-24, and is likely to be 4.9% in FY 24-25. India has also largely managed to steer its inflation trajectory well, with retail inflation staying within the Reserve Bank of India's 2-6% target range since a spike in mid-2023, and the policy repo rate has remained unchanged at 6.5% since February 2023. Among other indicators of robust economic performance, the total gross GST collection during FY 23-24 surpassed the ₹20 lakh crore milestone, registering an 11.7% increase compared to the previous year.

One of the major drivers behind India's resilient growth narrative is the digitalisation of the economy. Initiatives like Aadhaar, Unified Payments Interface (UPI), and widespread Internet penetration have helped formalise the economy and drive financial inclusion. Key initiatives such as the PM Jan Dhan Yojana, which has notably increased the percentage of women with bank accounts, along with the Skill India Mission, Start-Up India, and Stand-Up India, have also significantly impacted the socio-economic landscape.

### Indian Banking Sector's Performance

The pressures on asset quality from the previous credit cycle are subsiding, creating a favourable business environment and bolstering the banking sector's growth potential. Bank loans grew by 16.3% in FY 23-24, compared to 15% in the previous year. This growth figure excludes the impact of a major bank merger. The demand for credit in the past year was driven by a wide variety of sectors, such as agriculture and allied activities, industry, and services.

The lending patterns of banks witnessed some changes during the year. Lending to large companies recovered, with credit to industry growing by 8.5% compared to 5.6% in the previous year. However, the growth of personal loans moderated as unsecured loans slowed to 20.8% compared with 26.7% in the previous year. This lower growth rate followed

the Reserve Bank of India's decision to increase risk weights for unsecured consumer loans and credit cards. While these measures have led to higher capital costs for institutions and impeded the growth of such loans, they will ultimately create a more robust and transparent financial system.

Additionally, for the first time, the combined net profit of listed public and private sector banks exceeded ₹3.1 lakh crore, a 39% increase from ₹2.2 lakh crore in the previous year. Meanwhile, the GNPA ratio of scheduled commercial banks continued its downward trend, reducing to a 12-year low of 2.8% by the end of FY 23-24, from 3.9% a year earlier. This underscores the improvement in asset quality and the overall health of the banking sector.

### Bandhan Bank's Progress

Your Bank delivered a stable performance in FY 23-24, with deposits, gross advances, and net interest income recording good growth. While Profit after Tax (PAT) registered a relatively subdued growth during the year, it was due to technical write-offs and increased provisions made as a prudent measure. These technical write-offs primarily pertain to loans within the Emerging Entrepreneurs Business portfolio, which faced headwinds during the pandemic and have a long vintage. On an underlying basis, adjusting for these one-offs would make PAT growth considerably higher. The capital adequacy ratio reflects a well-capitalised balance sheet, ensuring financial stability and resilience.

One of the major highlights of the year was the successful transition to a new Core Banking System (CBS), aligning with the Bank's near-term vision of transforming its IT capabilities. The Bank is also building a robust surround system to create a tech stack that will align well with the Bank's focus on deposit-led assets growth, as also deepening the relationship with customers with focus on cross-sell initiatives leveraging data and analytics.

Further strengthening portfolio quality remains a critical focus for the Bank. In line with this objective, the Bank plans to invest in dedicated credit and collections verticals, leverage data analytics and technology, and use early warning

systems. Additionally, the Bank will continue to improve its portfolio quality by leveraging customer relationships. The Bank also aims to grow its asset book by improving the portfolio mix, with a greater emphasis on secured assets.

### Strengthening the Leadership Team

As Bandhan Bank embarks on a new era of growth, a strong leadership team is critical for steering the next phase of this journey. In FY 22-23, the Bank announced the appointment of Ratan Kumar Kesh as the Chief Operating Officer. The Board was delighted to welcome Rajinder Kumar Babbar, Chief Business Officer, in the year in review. The Bank also appointed Rajeev Mantri as the new Chief Financial Officer. The core management team was further strengthened with the appointment of Gopalkrishnan Santosh, Head – Mortgages and Consumer Lending, and Satish Kumar – Head – Wholesale Banking. With this evolved leadership team bringing a wealth of experience and domain knowledge, the Bank is now on a stronger footing to drive its future strategic direction.

In April 2024, Chandra Shekhar Ghosh, Managing Director & Chief Executive Officer, announced his decision to retire upon the completion of his tenure on July 9, 2024. His contribution as the founder of Bandhan Bank is immeasurable, having grown the organisation from a microfinance institution to a universal bank employing over 75,000 people and remaining steadfastly committed to financial inclusion. On behalf of the Board, management, and all the employees of the Bank, we extend our deepest thanks and appreciation to him for his exceptional leadership over the years. His passion and expertise have built Bandhan Bank into an organisation deeply rooted in values and one that truly brings transformational impact on the lives of many. We wish him the best for his future endeavours.

In line with the Bank's Business Continuity Plan and Succession Plan, the Board has appointed a search firm to identify potential candidates for the role of Managing Director & Chief Executive Officer. In the interim, Ratan Kumar

Kesh has assumed the responsibility of the MD & CEO.

### Looking Ahead

Despite various global uncertainties, India's macroeconomic parameters remain strong. The RBI projects GDP growth of 7.2% and CPI inflation of 4.5% for FY 24-25. Subsiding inflationary pressures, combined with the realisation of a likely normal monsoon, may open up the possibility of rate cuts by the RBI in the second half of FY 24-25. A normal monsoon is also expected to revive rural demand, leading to an increase in private consumption growth. Economic growth is further expected to be driven by a rise in private corporate investments.

Against this favourable backdrop, the Indian banking sector is well-positioned to sustain its growth momentum. While the anticipation of an RBI rate cut may result in some margin adjustments due to the possible re-pricing of advances, it also presents opportunities for more affordable borrowing. Although loan growth might experience moderation if deposit growth does not accelerate, the sector remains resilient. Additionally, by proactively addressing risks related to geopolitical tensions, fluctuating crude oil prices, and weather variations affecting agricultural output, the sector can continue to contribute positively to economic growth projections across various segments.

Looking forward, your Bank is well-positioned to benefit from the unfolding economic growth due to its trusted customer relationships, extensive geographic reach, excellent product portfolio, digital transformation, strengthened leadership, and enduring commitments to financial inclusion, community impact, and business sustainability. The focus remains on providing accessible, simple, cost-effective, and innovative financial solutions to support the growth aspirations of our customers and India. In this journey, we thank you for your continued trust and belief in Bandhan Bank.

Warm regards,

**Dr. Anup Kumar Sinha**

Non-Executive (Independent) Chairman

## MD & CEO's Message



Significant developments in the period in review with respect to technology, people, and business transformation have made your Bank more resilient and future-ready, establishing a robust foundation for the next phase of its growth, and in the making of Bandhan Bank 2.0.

### Dear Shareholders,

I am pleased to present to you the Annual Report of your Bank for the financial year 2023-24. The year was a landmark year for your Bank, as we saw a surge in your Bank's deposit-led assets growth. A key driving factor in this growth was the new technology stack that the Bank implemented in October 2023. Along with business growth, your Bank saw significant improvement in asset quality as well. All of these, put together, ensured that the financial year ended on a high for your Bank.

I feel privileged to write this note on behalf of the Bank. Under the leadership and guidance of our visionary founder, Mr. Chandra Shekhar Ghosh, your Bank has seen unprecedented success in terms of business and impact creation. He has created a legacy, and the 75,000+ employees of the Bank are committed to continuing this legacy forward. From the bottom of our hearts, we thank Mr. Ghosh for his vision, leadership and guidance in making Bandhan Bank one of the biggest names in banking in India.

Your Bank embarked upon a transformational journey a few years back. Despite the hurdles created by the impact of the pandemic, I am happy to share that the journey is well underway. Significant developments in the period in review with respect to technology, people, and business transformation have made your Bank more resilient and future-ready, establishing a robust foundation for the next phase of its growth, and in the making of Bandhan Bank 2.0.

### Operating Environment

Despite uncertainties in the global economic landscape, India has maintained steady momentum. Through timely and effective policy actions aimed at achieving macroeconomic stability, along with transformative scale-up in physical and digital infrastructure, India has successfully navigated both domestic and global challenges. This has ensured the continuation of a high growth trajectory, with the GDP growth rate at 8.2% for FY 23-24.

Against this positive economic backdrop, the performance of the Indian banking sector has been encouraging. Despite higher interest rates, bank credit has increased by 16% – the fastest growth in a decade. This expansion is driven by a strong post-pandemic recovery and sustained demand for retail loans, with corporate loan demand also on the rise due to private sector growth. While garnering deposits was a challenge for the industry for a good part of the year in review, in the last quarter, we saw deposits jump back. An indication of this is the lowering of the CD ratio of banks.

### Performance Review

Your Bank's strategic investments in people, technology, and distribution over recent years have significantly enhanced its ability to leverage the favourable operating environment. Additionally, during FY 23-24, your Bank implemented several measures to deepen the relationship with customers and drive preference and loyalty. These efforts were supported by digital and analytics initiatives aimed at boosting employee productivity.



Customer's trust in your Bank remains strong, as reflected by the addition of 0.36 crore customers in the year in review, marking an increase of 12% year-on-year. This growth has expanded the total customer base to 3.36 crore. Moreover, the total number of customer transactions has impressively grown by 47% year-on-year. Similarly, in terms of transaction value, there has been a robust increase of 33% year-on-year, reflecting sustained and expanding customer engagement.

Once again outpacing industry growth of 14%, your Bank's total deposits grew by 25.1% to reach ₹1,35,202 crore as of March 31, 2024. The Bank has continued to focus strongly on granular retail deposits, as evidenced by the share of retail deposits to total deposits, which stood at 69.4%. CASA deposits, standing at ₹50,151 crore as of March 31, 2024, have shown impressive growth of 18.1% year-on-year. Despite tight liquidity in the market, the CASA ratio remains healthy at 37.1%. Of the total deposits of your Bank, microfinance customers contribute to only about 4% of the total deposits.

For the fiscal year, overall advances registered a growth of 14.3%, reaching ₹1,24,721 crore as on March 31, 2024. This growth in the loan book reflects an uptick across different asset verticals, aligning with your Bank's near-term vision of diversifying its asset book.

For the year in review, the Emerging Entrepreneurs Business (EEB) portfolio has demonstrated healthy growth. It added more than 21 lakh new borrowers and grew by 10.2% year-on-year. Consistent with your Bank's diversification strategy, group loans now constitute about 32.7% of the overall loan portfolio, down from 59.4% as on March 31, 2021. The growth within retail and commercial banking has been particularly impressive; the retail loan book (excluding housing

loans) surged by 0.6% year-on-year, and the commercial banking vertical grew by 33.6% year-on-year. Additionally, the housing finance book has registered a growth of 11.2%.

Aligning with your Bank's medium-term strategic goals, and the focus on the secured portfolio, the proportion of secured assets in the total loan book stands at 42.6% in FY 23-24.

Your Bank's overall collection efficiency (excluding NPA) has remained stable for the year. There has been an improvement in asset quality, with Gross NPA and Net NPA for FY 23-24 at 3.84% and 1.11%, respectively, compared to 4.87% and 1.17% in the previous year. I would like to highlight that for the loans disbursed post-2022, your Bank is showing strong performance, characterised by a good recovery rate and low slippage. To provide more context, the FY 23-24 loan book, consisting of all loans disbursed from April 2023, has demonstrated robust performance, with a reduction in gross NPA. This underlines a positive outlook for your Bank's financial health.

The encouraging operational performance has translated into strong financial metrics for FY 23-24. The net profit stood at ₹2,230 crore, up by 1.6% from ₹2,195 crore in the previous year. The Net Interest Income (NII) reached ₹10,326 crore, compared to ₹9,259 crore in the previous year, registering a growth of 11.5%. Total credit costs have remained stable at 3.39%, while delivering an RoA of 1.44% and ROEs of 10.65% for the year.

### Geographic Diversification

As a pan-India bank, Bandhan Bank remains steadfast in its mission to expand its geographic footprint across the country. Your Bank also emphasises building a robust network spanning diverse market segments – from metropolitan areas and Tier 1 cities to



**While the Bank continues to hold its strength in the East of the country, significant strides have also been made in alignment with the strategic objective of geographic diversification.**

small towns and rural hinterlands – driven by the objective of serving the needs of emerging India and being a bank for all. This expansion approach has enabled the Bank to cater to a broader customer base and solidify its position as a bank for all.

A landmark achievement in terms of geographical expansion was your Bank's entry into the union territory of Ladakh with branches in Leh and Kargil. In the year in review, your Bank bolstered its distribution by adding 289 branches and 9 banking units. As a result, it now has 6,297 banking units across 35 states and union territories across the country. While the Bank continues to hold its strength in the East of the country, significant strides have also been made in alignment with the strategic objective of geographic diversification, with non-east regions now constituting 55% (including 10% in NE) of your Bank's outlets, and rest 45% is only East.



The strengthening of your Bank's digital capabilities is evident in its improved digital banking performance. Presently, around 95% of the total general banking transactions occur digitally, with digital registrations recording a 21% year-on-year increase. Additionally, digital transaction volume has surged by 52% year-on-year, while UPI transactions have grown by an impressive 51%.

### IT and Digital Transformation

Your Bank's successful transition to a new Core Banking System (CBS) was among the biggest highlights of the year. A migration from one CBS to another at the scale that your Bank did, is unprecedented. I am happy to inform you that despite the challenges that the scale presented, your Bank was able to complete the migration without major disruption of banking services for customers. This migration represents the initial phase of your Bank's technological transformation journey.

In conjunction with the CBS migration, your Bank also launched an all-new omni-channel online banking experience. The new Internet banking platform and mBandhan mobile app provide seamless banking experiences to customers.

Leveraging the new CBS and surround systems, your Bank is positioned to become more agile, introduce innovative products and services, use data and analytics more effectively, and foster seamless banking experiences.

The strengthening of your Bank's digital capabilities is evident in its improved digital banking performance. Presently, around 95% of the total general banking transactions occur digitally, with digital registrations recording a 21% year-on-year increase. Additionally, digital transaction volume has surged by 52% year-on-year, while UPI transactions have grown by an impressive 51%. The increasing transition to digital channels highlights customers' trust in your Bank's digital solutions and underscores your Bank's steadfast commitment to delivering seamless banking experiences.

Further, your Bank's advanced digital infrastructure has unlocked new growth opportunities. I am pleased to announce that your Bank has been empanelled for central and state government businesses. Additionally, the states of Assam and Meghalaya have authorised your Bank to integrate the Electronic Government Receipt Accounting System (e-GRAS), serving as a unified online collection medium for all tax and non-tax revenues. Your Bank has also received authorisation from the RBI for the disbursement of central civil pensions. All these developments help your Bank to reach out to more customers and strengthen its position as a bank for all.

### People Initiatives

Your Bank enhanced its workforce throughout the year. The total number of employees crossed 75,000 during the

year, making your Bank one of the largest employers in the country. The Bank also fulfilled some key leadership positions like the ED and Chief Business Officer, Head – Mortgage and Consumer Lending, Head – Commercial Banking, among others. Your Bank developed a new technology team structure to align with the Bank's growth direction. To keenly focus on maintaining asset quality, your Bank also set up a recovery structure. New and dedicated verticals like customer experience and process quality were also established to focus on enhancing customer stickiness and efficiency of operations.

Your Bank has always focussed on training and development. Its endeavour is continual improvement of people and fulfilment of vacancies through in-house resources. In the year in review, the Bank conducted a total of 26.8 lakh man-hours of training. 8,709 employees got their grade promotions, giving them the opportunity to take on higher responsibilities within the Bank.

### Societal Impact

Bandhan Bank's journey is deeply rooted in its commitment to transforming lives and fostering community development. Each initiative aims to make a significant impact in areas such as education, healthcare, livelihood promotion, sustainable development, climate action, financial literacy, skill enhancement, and employment. Our strong focus on inclusive banking particularly aims to support the growth of small businesses and empower women entrepreneurs from villages and economically weaker sections. This approach creates a multiplier effect on employment generation, financial inclusion, and equitable development.

During the year, your Bank's CSR further expanded its impact to cover more than 24 lakh beneficiaries across 14 states.

### Business Outlook

Powered by investment and consumption, the Indian economy is expected to sustain and accelerate the growth trajectory over the next several years. Your Bank remains dedicated to supporting the growth momentum of our nation to achieve prosperity for all Indians.

While your Bank will continue to focus on retaining its strength in the microfinance market, it will ensure that the agenda of diversification of the asset book is on track. Your Bank will grow Housing Finance, Retail Assets and SME Lending to a larger share. The share of secured assets will continue to increase. Your Bank's North Star of being a Bank for all will continue to guide it in its journey ahead.

Your Bank has expanded its reach significantly in the last three years. As I have mentioned earlier, the Bank has a new CBS, and surround systems are being implemented. These systems, along with a robust analytics model, coupled with the relevant control mechanisms will help in strengthening the quality of business further.

Your Bank is also on the brink of launching many new products and services, focussed on varied customer segments. The Bank is also in mature stages of strengthening the cross-sell mechanism with a digital loan origination system (LOS). The Bank's payment system is being upgraded to ride the UPI wave and enhance customer convenience. Your Bank has already launched Bharat QR for

payment ease for merchants. With the launch of trade finance solutions, your Bank can now offer an entire suite of solutions specifically imports, exports and trade remittances.

Your Bank has always focussed on cost efficiency. It is exploring Robotic Process Automation (RPA) and Artificial Intelligence (AI) to drive greater efficiency, not only to optimise costs but also to deliver superior value to customers. While people are your Bank's strength, to enhance productivity further, your Bank is exploring various digital solutions.

The Bank will soon enter its 10<sup>th</sup> year. This decade has been phenomenal and the Bank is privileged to have won the trust of all stakeholders. As the Bank moves into Bandhan Bank 2.0, I am sure that the 10<sup>th</sup> year of Bandhan Bank will be punctuated with significant developments with new products and solutions, digitalisation at scale and technology backbone to support the goals and vision of the Bank.

The Bank's future is promising. With a capable leadership team, a robust franchise built on shared vision and values, and ongoing transformation, I am confident that your Bank will continue to progress steadily, enriching the lives of all stakeholders and delivering sustainable long-term value. Thank you for reposing your faith in the Bank.

Warm regards,

**Ratan Kumar Kesh**

Managing Director &  
Chief Executive Officer



The Bank will soon enter its 10<sup>th</sup> year. This decade has been phenomenal and the Bank is privileged to have won the trust of all stakeholders. As the Bank moves into Bandhan Bank 2.0, I am sure that the 10<sup>th</sup> year of Bandhan Bank will be punctuated with significant developments with new products and solutions, digitalisation at scale and technology backbone to support the goals and vision of the Bank.

## Board of Directors



**Dr. Anup Kumar Sinha**  
**Non-Executive (Independent) Chairman**

Dr. Sinha is the former Director of Heritage Business School ('HBS') and currently designated as Chief Mentor. He has also served on the Board of NABARD.

Dr. Sinha has taught at Presidency College and Indian Institute of Management Calcutta ('IIMC'). He served IIMC as Professor of Economics for 25 years. He served three terms on the Board of Governors at IIMC and also as the Dean during 2003-06.

He received the Best Teacher Award in 2004 and Best Faculty Award in 2005 from the IIMC Alumni Association. In 2012, 2014 and 2015, he won the Most Popular Teacher Award from the outgoing MBA students of IIMC.

He has held visiting appointments at University of Calcutta, Indian Statistical Institute, National Institute of Public Finance and Policy, University of Southern California, Washington University in St. Louis, Curtin University and Curtin Business School at Perth and Kyoto University. He has been actively engaged in training and consulting for a number of organisations in the public and private sector, as well as for international agencies in the fields of economics. He has also authored publications on various topics including economics, rural economy, management, etc.

Dr. Anup Kumar Sinha is an economist with a Ph.D. from the University of Southern California, Los Angeles. He is also an M.S. in Economics, University of Rochester, USA, and Master in Economics from University of Calcutta and B.A. (Economics Honours), Presidency College, Calcutta.



**Dr. Allamraju Subramanya Ramasastry**  
**Independent Director**

Dr. Ramasastry is widely known for his commendable domain knowledge in Banking technologies such as cybersecurity, analytics, cloud computing, and payment systems, in addition to his other areas of expertise. He was the Director of the Institute for Development and Research in Banking Technology ('IDRBT')

from 2014-2020. Prior to joining IDRBT, he was the Chief General Manager-in-charge of the Department of Information Technology at RBI. In RBI, he had spearheaded many important projects, including the implementation of the Next Generation RTGS, adoption of XBRL and ISO 20022, and preparation of the IT Vision of RBI from 2011-17.

He has authored two books titled 'Quantitative Methods for Valuation of Assets' and 'Quantitative Methods for Banking and Finance'. He had also guided the Bank of Mauritius, Bank of Malaysia and Bank of Uganda on the implementation of Data Warehouse, XBRL, etc., and delivered talks on standards and technology for data reporting at the International Monetary Fund and Bank of International Settlements.

Dr. Ramasastry holds a PhD in Finance from the Indian Institute of Technology Madras ('IITM') and has held top ranks in M.Sc. (Statistics) from University of Madras and B.Sc. (Statistics) from Loyola College, Madras. He also attended Advanced Management Programmes at the University of Oxford and Kellogg School of Management.



### Dr. Aparajita Mitra Independent Director

Dr. Mitra, a Doctorate in Agriculture (Dept. of Plant Molecular and Cellular Biology, Bose Institute), having extensive experience and expertise of more than three decades in the field of agricultural sciences. She has done extensive research and published articles in the field of commercial micropropagation of Horticulture/tree and medicinal species, DNA extraction and sequencing, DNA fingerprinting (plants), gel electrophoresis, protein and isozyme analysis, etc. Dr. Mitra is a recipient of the CSIR Fellowship and the 'Women Scientist Award' from the Department of Science and Technology, Government of India, 2005 for the project "Identification of Disease Resistant Genetic Markers in Bamboo Spp."

She has also guided various postgraduate students from well-known universities on their projects in the domain of

Plant Tissue culture part. She has been associated with various organisations, such as:

- ▶ Director on the Board of Uncarbon Private Limited (since February 2022)
- ▶ Director and Editor of Artifact, Arts Acre Foundation (since 2021)
- ▶ Member, Advisory Board of the Department of Biotechnology ('DBT') Sponsored Post Graduation Diploma- "Quality Assurance Testing of Tissue Culture raised Plant", a DBT (GoI) supported Skill Development Program, Certified by "Life Science Sector: Skill Development Council" at Rama Krishna Mission Vivekananda Centenary College, Rahora, Kolkata
- ▶ Visiting faculty in the Institute of Agricultural Sciences, University of Calcutta (since 2014)
- ▶ Tissue Culture Consultant in Pallishree Limited, DBT certified commercial lab, since its inception (since 2011) and R&D-Head, since 2021
- ▶ Laboratory and Organic Farming Consultant in Maple Orgtech (India) Limited and Tega Industries Private Limited (since 2016)
- ▶ Research Officer in The Agri-Horticultural Society of India (2002-2004 and 2008-2020)
- ▶ As DST Women Scientist in the Bose Research Institute (2005-2007)

Dr. Mitra is a Ph.D in Agriculture, M. Tech., (Applied Botany, Dept. of Agricultural Engineering, IIT KGP) and B.Sc in Botany (Hons), Chemistry and Zoology, M.Sc. (Genetics and Plant Breeding). She has also done hands-on training in cell cloning from National Bureau of Fish Genetic Resources, Lucknow.



### Arun Kumar Singh RBI (Nominee) Additional Director

Mr. Singh was appointed by the Reserve Bank of India as an additional director on the board of the Bank w.e.f. June 24, 2024, for a period of one year. Mr. Singh is a former Senior Central Banker and has a wide and rich experience of working in RBI for 35 years in the field of Banking and Non-Banking Regulation and Supervision, Enforcement actions against banks and non-banks, Information Technology, Financial Inclusion, Monetary Policy, Government Banking, etc. He has acted as Principal Inspecting Officer / Senior Supervisory Manager for various commercial banks and NBFCs and has actively participated in first Asset Quality Review (AQR) of banks as well as Risk-based Supervision (RBS) related processes and development. He has

been associated with committees / working groups related to operational risk, MCLR, stress testing, payment and small finance banks, prompt corrective action, financial resolution, returns rationalisation, etc. He was involved in framing banking policies in various capacities. As head of Enforcement Department, he was responsible for enforcement action against commercial banks, small finance and payment banks, NBFCs, cooperative banks, credit information companies, payment system operators, asset reconstruction companies, etc. He was also the head of Information Technology, Reserve Bank of India, spearheading technological development in RBI, particularly, in the areas of Currency Management, Government Banking, Payment System, e-Kuber, Cyber Security, Data Centre upgradation, Internal Applications, IT Infrastructure, etc. He was Regional Director for Rajasthan and carried out his Central Banking responsibilities in the areas of currency management, financial inclusion, financial literacy, banking / non-banking development, Government banking, etc. in the state of Rajasthan.

Mr. Singh has served as RBI nominee director on the Board of Uttar Bihar Gramin Bank (RRB), Union Bank of India, Reserve Bank Information Technology Pvt. Ltd. (ReBIT), Mumbai, Reserve Bank Innovation Hub (RBIH), Bengaluru, and Institute for Development in Research and Banking Technology (IDRBT), Hyderabad.

Mr. Singh has done his Graduation in Economics and MBA in Finance and HR. He is also a Certified Associate of the India Institute of Banking (CAIIB)





**Divya Krishnan**  
**Non-Executive Non-Independent Director**  
**(Nominee of Bandhan Financial Holdings Limited)**

Ms. Krishnan is a finance and investment banking professional and is currently a visiting faculty at Ashoka University. Ms. Krishnan was formerly Chief Investment Officer ('CIO') and Head of Investment at SBI Mutual Fund. Prior to becoming CIO, Ms. Krishnan worked as a fund manager at SBI Funds.

Post her voluntary exit from SBI in 2001, Ms. Krishnan has served as a consultant to a number of leading non-profits and NGOs. She worked closely with non-profit institutions, catalysing growth through impactful programmes. She has been an invitee as Scholar-in-Residence by a leading private University in the US, guiding students to effectively support developmental initiatives in India.

Ms. Krishnan was a member of the Working Group on Disabilities to develop the 12<sup>th</sup> Five Year Plan for the local state government. She has also served as a volunteer teacher for slum children in Mumbai and for primary school children in Hong Kong and in Trivandrum.

Ms. Krishnan did her MBA at IIM Ahmedabad and was awarded a prestigious industry scholarship for outstanding scholastic achievement during her time there. Ms. Krishnan is an alumnus of Shri Ram College of Commerce, Delhi and La Martiniere School, Kolkata.



**Narayan Vasudeo Prabhutendulkar**  
**Independent Director**

Mr. Tendulkar is a qualified Chartered Accountant and Company Secretary. He has more than 41 years of experience in Finance, General Management and Operations in IT, Telecom and Manufacturing industries. He has extensive experience working

with American and European based multinational organisations and has successfully resolved multidimensional, dynamic and challenging issues.

He was an Executive Director with Hewlett Packard Enterprise India Limited for almost 14 years. He was also associated with many IT Companies including Tata Telecom, AT&T, USA, Digital Global Soft etc. Currently, he is an Independent Director of Siemens Gamesa Renewal Power Private Limited, PSB Alliance Private Limited and Global Vectra Helicorp Ltd.

Mr. Tendulkar is the recipient of many awards such as CFO 100 Roll of Honor in 2012 and 2016 from 9.9 Media, Best CFO of Hewlett Packard worldwide, Special Achievement Award for leading the Best Finance Team in APAC and Japan Region for FY 04-05, Best Governance Award in year 2000 from the Institute of Chartered Finance Analyst handed over by ex-Prime Minister, Dr. Manmohan Singh and was also nominated for the prestigious CNBC TV 18 CFO award in 2006.



**Pankaj Sood**  
Non-Executive Non-Independent Director  
(Nominee of Caladium Investment Pte. Ltd.)

Mr. Sood has over 24 years of experience in private equity and M&A transactions in India. Currently, he heads the Private Equity (Direct Investments) business of GIC Singapore in India and Africa. He joined GIC in 2010 and is based in the Mumbai office. Prior to GIC, Mr. Sood was an investment banker in India in Kotak Investment Bank, Ernst & Young and SBI Capital Markets.

He is a post-graduate from Indian Institute of Management, Calcutta and has a bachelor's degree in Chemical Engineering from Indian Institute of Technology, Kharagpur.



**Philip Mathew**  
Independent Director

Mr. Mathew, a HR practitioner, has almost 30 years of work experience. He was with HDFC Bank for around 16 years before leaving in 2018 as the Chief People Officer. During his tenure at HDFC Bank, he was involved in various HR related initiatives, such as, successful transition to a cloud-based enterprise-wide HR application, amongst the first to adopt the new governance

and risk management standards set by Compensation Guidelines by RBI, implementation of HR metrics, recognition as 'Best Employer' in the BT Survey in 2016, etc., and with regard to training and development, online learning, revisiting instructional design and systematic measurement of training effectiveness of designated programmes.

His experience as a HR practitioner spans across organisations involved in manufacturing and financial services. His career journey has been through the entire landscape of HR with significant depth. He was Plant HR In-charge at Rallis India Ltd and Marico Industries Ltd, Project Lead for roll-out of new PMS at ANZ Grindlays Bank, a brief corporate stint at Colgate-Palmolive before becoming Head HR at Sharekhan.com and thereafter, moved to HDFC Bank in 2002, where he started as AVP – HR Operations and grew to become the Chief People Officer for HDFC Bank. Currently, he is associated with development of HR related solutions.

Mr. Mathew is M.A. (PM and IR) from the Tata Institute of Social Sciences and B.Sc. (Statistics) from the Loyola College.



**Rajinder Kumar Babbar**  
**Executive Director & Chief Business Officer**

Mr. Babbar has over 35 years of experience across the banking sector in various leadership roles. He is an accomplished senior leader, with vast experience across multiple spheres of banking. He has a proven track record of creating new businesses and propelling existing ones, consistently delivering growth multiples in AUM, market share, and profitability.

During his tenure spanning more than 23 years with HDFC Bank, he has handled various leadership assignments and has successfully led large teams across Transportation and Infrastructure Finance, Rural Banking and Retail Liabilities. He was the Group Head - Transportation, Infrastructure and Tractor Finance Group at HDFC Bank.

Prior to this, he was responsible for building and managing the Rural Banking Group for the HDFC Bank covering farmer finance, MSME loans to intermediaries, related retail assets and third party products. Under his leadership, the rural businesses witnessed robust growth, making it one of the best rural franchises in the industry for any bank or financial institution in terms of size and profitability.

Prior to joining HDFC Bank Ltd, he has worked with Centurion Bank, Bank of Punjab and Central Bank of India, handling various roles and responsibilities.

He is Bachelor in Science, LLB, LLM Corporate Law and Criminal Law and is currently pursuing PhD from NMIMS, Mumbai. He has also completed a leadership development programme from IIM Ahmedabad.



**Ratan Kumar Kesh**  
**Managing Director & Chief Executive Officer**

Mr. Kesh has around three decades of experience across industries in leadership roles in multiple domains – Operations, Technology, Transaction Banking, Product, Affluent Banking, Operations Risk, Enterprise Governance, Intelligent Automation, Digital, Cx and Organisation Transformation. He was recognised among the 50 most talented Quality Professionals in India by the World Quality Congress.

He was also recognised as one of India's top 25 Emerging Tech Leaders by BIOCON Network in collaboration with MeitY.

At Bandhan Bank, he has been the Executive Director and Chief Operating Officer since March 31, 2023. He is leading multiple functions including Technology, Operations, Customer Experience, Transformation, Internal Audit, Recovery, and other support functions. Mr. Kesh successfully led the IT transformation at the Bank and has been playing an instrumental role in optimising the processes, controls, customer services, business excellence, etc., at the Bank.

He was part of the core team to lead organisation transformation with technology, digital, governance, quality and customer focus during his tenures at ICICI Bank, HDFC Bank, Yes Bank and Axis Bank. He was among the first few in the Indian Banking Industry to launch full-fledged Service Quality Framework and Service CRM while in HDFC Bank. To his credit, he transformed the Axis Bank's operations by imbining technology, digital and AI.

He is a B.E. (Mechanical Engineering) from NIT, Durgapur and MBA from NMIMS. He is also certified Quality Engineer from Quality Council of Indiana, USA and has completed advance leadership course from IIM-A and Strategic Agility from Harvard.



**Santanu Mukherjee**  
Independent Director

Mr. Mukherjee is the former Managing Director of the erstwhile State Bank of Hyderabad, an associate bank of the country's largest lender - State Bank of India. He has four decades of experience in the fields of banking, finance, risk management,

etc. in various capacities. From 2013 to mid of 2014, he was acting as Chief General Manager of State Bank of Bikaner and Jaipur. He has also worked as a Chief Executive Officer of State Bank of India, Paris from 2004 to 2008. He joined as a probationary officer and carried out important domestic and overseas assignments in the SBI Group.

Currently, he is also on the Boards of Aurobindo Pharma Limited, NACL Industries Limited, Muthoot Housing Finance Company Limited, Suven Life Sciences Limited, Sumedha Fiscal Services Limited, Rainbow Children's Medicare Limited, etc. He is also on the Board of Governors of the Institute of Management and Technology Hyderabad and an Independent External Monitor for National Sanskrit University and HLL Infra Tech Services Limited.

Mr. Mukherjee holds a B.Sc. (Honours) degree from Presidency College under the University of Calcutta and CAIIB from the Indian Institute of Bankers.



**Subrata Dutta Gupta**  
Independent Director

Mr. Dutta Gupta has a rich experience of more than 35 years in Asset-based Financing, with 20 years dedicated to the Mortgage industry in India and 11 years to Development Finance. His domain expertise has been in investment and advisory services

related to the mortgage industry, covering areas like strategic planning, business plan, underwriting and policy formulation. He has an extensive experience in mentoring the workforce at startups in the Housing Finance sector, grooming and upskilling them on lending to the informal and low income borrowers, including developing business plans and data analytics platforms.

Mr. Dutta Gupta worked at the International Financial Corporation ('IFC'), World Bank Group for more than a decade from 2008 to 2019 and retired as the Principal Financial Officer of IFC. During his stint at IFC, he worked in South Asia, South East Asia, and Central Asia. He has also been associated with BHW Birla Home Finance as the Managing Director, with SREI International Finance as Senior Vice President and with Classic Financial Services and Enterprises Ltd. as the Regional Manager for Operations.

Mr. Gupta holds a Master of Arts degree in Economics from the Delhi School of Economics.



**Suhail Chander**  
**Independent Director**

Mr. Chander is a veteran Banker. He has 37 years of rich experience in Banking Operations, Trade Finance, Retail and

Wholesale Banking. His extensive experience covers the entire gamut from retail, small and medium enterprise, mid-sized corporates to large corporates.

Mr. Chander started his professional journey in banking as a trainee at ANZ Grindlays Bank in 1983 and since then has worked in foreign banks in India and abroad and a private sector bank in India. He retired as the Head of Corporate and Institutional Banking at IndusInd Bank in March 2020.

Currently he is a member of the Board of Canara Robeco Asset Management Company Limited.

Mr. Chander is a Chartered Accountant. He also holds a Bachelor of Arts (Honours) degree in Economics from the University of Delhi.



**Vijay Nautamlal Bhatt**  
**Independent Director**

Mr. Bhatt is a qualified Chartered Accountant and a Bachelor in Law. He has 35 years of experience in large, medium and

small Indian and multinational businesses. Being in the audit profession, he has a good understanding of the business environment, business risks, controls, accounting and financial reporting issues relevant to businesses operating in India.

He was with KMPG for over 10 years (Senior Independent Director), with E&Y for 2 years and with R S M and Co. Chartered Accountants for 19 years and for a few months with Lovelock Lewis. He has been a member of various committees of the Institute of Chartered Accountants of India, such as Accounting Standards Board, Audit Standards Board, Information Technology Committee, Financial Reporting Review Group and Professional Development Committee of WIRC.

Currently, he is on the Boards of FDC Limited, IRB Infrastructure Developers Limited, JK Files & Engineering Limited, Maini Precision Products Limited, etc.



# Core Management Team

**Santanu Banerjee**  
Head - Human Resources

**Rajeev Mantri**  
Chief Financial Officer

**Nand Kumar Singh**  
Head - Banking Operations & Customer Services

**Amitava Goswami**  
Chief Compliance Officer

**Biswajit Das**  
Chief Risk Officer

**Pinaki Halder**  
Chief Information Officer

**Radhika Raghavan**  
Head - Customer Experience,  
Process Quality & Transformation

**Ronti Kar**  
Head - Innovation Hub & Fintech Partnership

**Subhash Balkrishna Samant**  
Head - Housing Finance

**Troy Joseph Stuart**  
Chief Digital Officer

**Indranil Banerjee**  
Company Secretary

**P Ramaswamy**  
Chief of Internal Vigilance

**Ravindra Baburaya Gadiyar**  
Head - Commercial & Retail Credit

**Dhruba Jyoti Chaudhuri**  
Head - Corporate Services

**Gopalkrishnan Santosh**  
Head - Consumer Lending & Mortgages

**Satish Kumar**  
Head - Wholesale Banking

**Sujoy Roy**  
Head - Branch Banking

**Arindam Sarkar**  
Head - Treasury

**Manoj Kumar Mauni**  
Chief Technology Officer

**Piush Jha**  
Head - Credit Card

**Ravi Lahoti**  
Chief Audit Executive

**Siddhartha Sanyal**  
Chief Economist & Head Research

**Suresh Chandran**  
Head - Commercial Banking

**Vishal Wadhwa**  
Head - Emerging Entrepreneurs Business

**Jagannadha Rao Suvvari**  
Head - Legal

**Partha Pratim Samanta**  
Head - Small Enterprise Business & Agri Loan

**Satyajit Ghosh**  
Head - Group Loans

**Sankar Saha**  
Head - Project & Premises

# Diversified Product Suite

## RETAIL LIABILITIES

Your Bank provides an array of liability products designed to promptly and effectively cater to diverse banking requirements across various customer segments. Prioritising customer satisfaction, the Bank consistently calibrates its product suite and offers convenient banking solutions to meet customers' needs. These, along with robust marketing strategies and regular customer communication, lay the roadmap for your Bank to advance towards its goals and achieve sustainable growth.



**In FY 23-24, the Bank's deposit portfolio witnessed a robust growth of 25% with a total deposit base of ₹1,35,202 crore as of March 31, 2024.**

In FY 23-24, the Bank's deposit portfolio witnessed a robust growth of 25% with a total deposit base of ₹1,35,202 crore as of March 31, 2024. The growth in deposits was primarily driven by the diverse range of liability products across term, savings and current account deposits, with the total retail deposit book growing by 22%.

The affluent segment of customers, showing preference for premier products like Elite and Premium Savings Accounts, have contributed to the growth of your Bank's Savings offering and bolstered its product proposition. Concurrently, the Bank has also prioritised the senior citizen customer base, by launching INSPIRE, a programme designed to offer specialised services tailored to their unique needs. With the objective

of serving diverse consumer segments across various demographics, your Bank aims to introduce many other segment specific offerings.

As part of the marketing strategy and to improve customer communication, multiple product-focussed campaigns were implemented during the year in review. These campaigns aimed at informing customers about product benefits, including interest rates, and technology-driven services provided by the Bank. In FY 23-24, the Bank introduced RuPay Platinum Debit Card, demonstrating its commitment to offering products with greater benefits for customers. The entire range of debit cards garnered a total card fee income of ₹75.49 crore as of March 31, 2024.

The Current Account segment also demonstrated a strong performance, marked by consistent balances and adept financial management. Strategic initiatives including enhanced EDC penetration, CAM Channel development, re-engagement with ETB customers brought a focussed project, and intensified focus on new branches to effectively meet customer demands, demonstrating resilience in a competitive market landscape. The overall Current Account book sustained a commendable growth rate of 51% as of March 31, 2024.

The Bank's Merchant Acquiring Business (MAB) plays an important role in drawing current account relationships. MAB is actively enrolling POS/EDC devices with a consistent month-on-month increase

and offering Payment Gateway services to merchants across all categories. The MAB business witnessed substantial growth during the year, reporting a 326% (YoY) increase in acquisitions and a 52% (YoY) rise in throughout, resulting in accumulation of balances in associated accounts.

The Bank's expansive branch network has been instrumental in driving deposit growth. The Bank opened 289 new branches in FY 23-24, taking the total number of branches to 1,700, spread

across 35 states and union territories. One important achievement for the Bank was its entry into the union territory of Ladakh with branches in Leh and Kargil.

To fortify its relationship with customers, the Bank is constantly accelerating its customer engagement endeavours and effectively communicating with them through various marketing campaigns, social media outreach, and branch-level initiatives. Additionally, the Bank seamlessly transitioned to the latest Core Banking System - Flexcube and rolled

out a new Internet Banking platform and mBandhan app, promising an improved customer experience.

Your Bank remains committed to harnessing the power of technology to provide innovative digital solutions that prioritise security, convenience, and user-friendliness. The Bank will continue to deliver top-notch banking solutions and serve the customers with unwavering zeal and commitment in the years ahead.

## DIGITAL BANKING

The year in review was a milestone year for your Bank's digital banking services. With the launch of the new CBS, your Bank's digital banking capability got a significant fillip. With the surround systems being put in place, the Bank will be able to provide even higher order digital banking services in future.

Your Bank's digital efforts are aligned to its commitment to customer-centricity which helps it in enhancing its offerings using analytics and consumer behaviour patterns, while ensuring a risk calibrated approach.

With the launch of the new CBS, your Bank also introduced a new digital banking experience – Internet Banking and mBandhan, the mobile app. With 175+ features, the Bank's new digital platforms make banking easier and even more accessible while delivering on the critical parameters of security and continual technology upgrade to continue providing a modern banking experience.

Your Bank also focussed on driving digital adoption among existing customers. The results have been very encouraging.



**There was a significant increase in online banking usage in FY 23-24, signalling a notable surge in the acceptance and adoption of digital banking services among customers of the Bank.**

There was a significant increase in online banking usage in FY 23-24, signalling a notable surge in the acceptance and adoption of digital banking services among customers of our Bank. The 26% annual growth in digital registrations underscores the Bank's successful endeavours in promoting digital banking channels and enhancing customer awareness of digital banking products.

### **New Digital Product, Enhancements and Integrations**

Your Bank has a roadmap of new digital products designed to enable customers, both new-to-bank and existing-to-bank, to bank from where they want and how they want. The Neo+ Digital Saving Account with vKYC has helped customer open savings accounts with Bandhan Bank seamlessly and in paperless manner.



The enhancements in Corporate Internet Banking have resulted in a jump in logins on the platform. Your Bank has increased the number of integration partnerships with payment gateways to deliver a more varied payment options for customers.

### Way Forward

Moving forward, your Bank will continue to innovate by focussing on several key areas:

- ▶ Using agile technology, your Bank will create capabilities to

continually **evolve user experience** of the digital assets to make banking more convenient.

- ▶ By **optimising processes and ensuring platform stability**, your Bank will continue to enhance the digital banking experience for retail and corporate customers while continuing to deliver best-in-class services.
- ▶ With a commitment to ensuring safe banking for all customers, a

number of safety measures has been implemented and will continue to be augmented on an ongoing basis.

- ▶ Your Bank has already integrated the retail and corporate Internet banking platforms with CBDT for seamless payment of direct taxes to the government. It will continue to explore more such integrations that will add value to customers and also help in nation-building.

## EMERGING ENTREPRENEURS BUSINESS

The Emerging Entrepreneurs Business (EEB) offers affordable and convenient loans to borrowers at the bottom of the pyramid, empowering them to cultivate their entrepreneurial spirit and transform their lives. As your Bank taps into the enormous opportunities that lie ahead, it also continues to use inclusive banking as a tool to support this lesser privileged segment of the society and help them springboard into the future.



**The endeavour of your Bank is to nurture entrepreneurs and help them to move up the socio-economic hierarchy, supporting them through holistic financial services, as and when required.**

Your Bank's EEB strategy is guided by its long-held philosophy of inclusive banking and economic empowerment of the disadvantaged sections of the society. The endeavour of your Bank is to nurture these entrepreneurs and help them to move up the socio-economic hierarchy, supporting them through holistic financial services, as and when required.

- ▶ A wide array of loans is offered through Banking Units (BU) to benefit small business owners in need of financial assistance

- ▶ Group Loans and Small Business and Agri Loans (SBAL) business channels are operated by the Bank through BUs
- ▶ Small Enterprise Loans (SEL) are operated by your Bank from branches

### Empowering Banking Units

Each BU is linked to a Bandhan Bank branch for operational convenience.

The BUs are self-sufficient and can easily open loan accounts after necessary credit checks and appraisals. BU officials can also seamlessly open deposit accounts by using tabs.

Tabs are transforming how BUs operate and form the cornerstone for their operational efficiency. These tabs are connected to the Core Banking System

(CBS) through cellular data and are put to efficient use by the Relationship Officers (RO) who carry them to their group meetings and leverage them for reconciling customer's instalment on a real-time basis.

To ensure timely and effective support to the BUs in their day-to-day functioning, your Bank has a structure comprising circles, territories, divisions, areas and banking unit catchments. A central operation team maintains oversight of the quality of operations and adherence to prevalent guidelines at all times. Your Bank lays significant emphasis on processes and controls to help maintain uniform and consistent standards in transaction processing and service delivery, as well as compliance with the regulatory and statutory guidelines.

### EEB Performance

During the financial year under review, your Bank offered loans to 21 lakh new borrowers, clearly reflecting the Bank's commitment to financial inclusion. As on March 31, 2024, the portfolio for Group Loans stood at ₹40,745 crore whereas SBAL and SEL portfolio stood at ₹21,502 crore and ₹5,672 crore respectively. The division's accelerated growth is attributed to the introduction of additional credit control measures by your Bank to improve the quality of portfolio. Your Bank now features a diverse product portfolio under its Group Loans, SBAL and other categories, which are offered to customers through banking units and branches, enabling your Bank to easily meet their varied demands and needs.

### Group loans

- 1 Srishti Loan: It provides timely funds to start a new business or grow an existing one. Loan size ranges from ₹15,000 to ₹1,50,000.
- 2 Subridhhi Loan: Loan amount is up to 50% of the disbursement amount of the existing primary loan. It is sanctioned to help customers fulfil their extra business requirement during their ongoing loan.
- 3 Suraksha Loan: Loan size is up to ₹15,000 and is sanctioned to help existing customers meet their emergency

expenses, e.g. medical, drinking water and sanitation.

- 4 Sushiksha Loan: Loan size is up to ₹10,000 and is sanctioned to help customers meet expenses towards the education of their children.
- 5 Baazar Loan: With a loan size ranging from ₹26,000 to ₹1,50,000, Baazar Loan has been instituted for small entrepreneurs who have an existing super-saver account with your Bank. This loan provides financial support to deposit customers for their working capital needs.

### Small Business and Agri Loans

- 1 Sahayata Loan: The loan funds growing business needs of individuals involved in an array of income generation activities. Loan amount ranges from ₹50,001 to ₹5,00,000.
- 2 Suyog Loan: The loan amount is up to 50% of the disbursement amount of the ongoing Sahayata loan. It is sanctioned to help customers fulfil their additional short-term business requirement during their ongoing loan.

### Small Enterprise Loans

- 1 Small Enterprise Loans are instituted for small enterprises who require both working capital and term loan. Loan amount ranges from ₹3,00,000 to ₹25,00,000.

### Fortifying Business

During FY 23-24, various initiatives were taken by your Bank to enhance the portfolio mix, digitise systems, improve collections and encourage customers to participate in your Bank's digital payment endeavours, with the ultimate aim to enhance operational efficiency and improve customer experience.

- ▶ As a definitive step towards digitising the business channels, your Bank deployed cutting-edge technology and upgraded to a new CBS.
- ▶ Your Bank has taken several initiatives to strengthen the credit assessment process for Group Loan and SBAL, and other loans to have a better portfolio. A separate Loan Sanctioning team has further been deployed to seamlessly

manage the loan sanctioning process for Group Loans.

- ▶ Your Bank has also deployed a separate and independent Recovery team to improve recovery collections from delinquent customers. While the Business team restricts slippages by focussing on collections from the standard accounts, the Recovery team focusses on collections from the NPA accounts.
- ▶ Your Bank has deployed several analytics-driven models to improve both sourcing and recovery. Some of the key initiatives in this regard are- identification of good borrowers for a higher ticket loan based on a data-driven renewal base, identification of potential borrowers for graduating to individual loan, categorisation of delinquent borrowers based on their propensity to repay and prioritising collections accordingly, etc.

The awareness regarding the use of digital payment solutions such as smartphone-based transactions and use of credit/debit cards for online transactions is still low amongst EEB customers. To build better awareness, customer-focussed training is being conducted by your Bank. The training focusses on helping the customers understand the benefits of digital payments as well as various other aspects such as linking their bank account with mobile number and Aadhaar. Your Bank has also taken initiative by informing the customers to pay through online transactions.



## HOUSING FINANCE

The Housing Finance vertical is a strong pillar for your Bank. Comprising a fourth of the Bank's asset book, it has grown from strength to strength to become a robust franchise. The Bank offers a comprehensive range of home and property loan options to meet the diverse needs of its customers, including purchasing, building, repairing, renovating, and expanding residential units. Aligned with your Bank's commitment to being a bank for all, these loans are offered to both salaried and self-employed individuals, including those new to credit, empowering them to overcome financial hurdles and springboard to their dream home.



**Your Bank expanded its home loan network to over 450 branches and more than 300 banking units offering micro-home loans, spread across 22 states and union territories.**

Affordable Home Loans form the core of your Bank's housing finance business, representing over 70% of the outstanding portfolio balance. A substantial portion of this portfolio meets Priority Sector Lending (PSL) norms.

Despite a challenging macro-economic environment, the housing finance segment witnessed robust growth in FY 23-24. In the period, your Bank expanded its home loan network to over 450 branches and more than 300 banking units offering micro-home loans, spread across 22 states and union territories. Focussed on acquiring quality business and reducing delinquency, the Bank disbursed ₹7,270 crore in FY 23-24, marking a 14% growth. Additionally, Gross Non-Performing Assets (GNPA) were reduced to below 1.6% while the portfolio demonstrated commendable growth and stood at over ₹29,916 crore.

To drive the housing finance business forward, the Bank intends to implement a comprehensive strategy that integrates advanced technology, robust analytics, meticulous risk management, and a customer-centric approach. Utilisation of cloud-based solutions, AI-driven automation, and mobile accessibility will enable the Bank to establish a scalable and efficient technology platform, thus ensuring a seamless journey for the customers. Plans to reinforce the Bank's robust risk mitigation and compliance efforts through advanced analytics, compliance automation, and regular audits are also underway. Streamlining core operations by revamping existing processes and workflow automations is also expected to enhance overall

efficiency. The entire year in review had the housing finance business run on the new CBS. The efficiencies of the new system, ability to cater to newer audiences and the commitment of the teams ensured that the book size grew 11%.

Furthermore, significant investments in workforce development, including comprehensive training programmes and talent acquisition, will foster a technologically adept team, capable of driving dynamic business growth. Through these focussed efforts, your Bank aims to solidify its position as a leader in the affordable housing finance sector, delivering unparalleled value to customers and stakeholders.

## RETAIL ASSETS

In the year in review, your Bank has made substantial advancements in enhancing its key capabilities and competitiveness through strategic investments in technology, talent, and distribution. These, along with our focussed efforts on CV/CE Loans, Gold Loans, Auto Loans, Two-Wheeler Loans and Personal Loans, have positioned the Retail Assets division as a forward-thinking unit, poised for a new era of success.



### CV/CE Loan

The Commercial Vehicle (CV) and Construction Equipment (CE) Loan segment has been instrumental in supporting the infrastructure development and logistics sectors. To meet the evolving needs of customers willing to avail such loans, innovative financing solutions and flexible repayment structures were introduced by your Bank over the past year. Strategic alliances with leading manufacturers and dealers have fuelled the product's rapid growth, making it one of your Bank's fastest-growing product in its first year. Going forward, the Bank intends to enhance its digital lending platforms, broaden the product range, and offer customised solutions to cater to the unique requirements of businesses in this sector.

### Gold Loan

The Gold Loan product continued to perform strongly, providing customers with quick and hassle-free access to funds against their gold assets. In FY 23-24, your Bank focussed on further improving its systems, processes, and schemes to cater to the diverse needs of its customer in a better manner. Customer's trust was further reinforced through the Bank's robust security measures and transparent processes. Moving forward, leveraging

**Collaboration with leading two-wheeler manufacturers and dealers further enabled your Bank to strengthen its market presence.**

advanced digital tools will further simplify the gold loan process while exploring innovative product variations will help the Bank attract a broader customer base and grow at a rapid pace.

### Auto Loan

Over the past year, the Auto Loan product experienced remarkable growth of over 70%, while maintaining superior portfolio quality. The growth was supported by concerted efforts to streamline existing processes which led to a reduction in approval time and enhanced customer satisfaction. With competitive interest rates and flexible repayment options, your Bank has become a preferred choice for customers in search of a suitable Auto Loan to finance their dream cars. Moving forward, your Bank is poised to accelerate its growth by expanding partnerships with automotive dealers and exploring

new financing models, such as green car loans, to meet the growing demand for eco-friendly vehicles.

### Two-Wheeler Loan

The Two-Wheeler Loan segment saw a substantial uptick in demand, driven by your Bank's customer-centric approach and attractive financing solutions. The growth was supported by the launch of several initiatives to promote inclusive finance, including special schemes for first-time buyers and rural customers. Collaboration with leading two-wheeler manufacturers and dealers further enabled your Bank to strengthen its market presence. Moving forward, the Bank shall remain focussed on enhancing its digital onboarding and expanding its footprint in the emerging markets to capture new growth opportunities and capitalise on untapped potential.

## Personal Loan

Learning continually from experience and tracking emerging trends in unsecured lending has helped your Bank update its sourcing model for optimised results, and consistently align its Personal Loan offerings with the evolving needs of consumers, ultimately contributing to a steady portfolio growth in the last fiscal

year. In the future, your Bank intends to leverage the power of data analytics to further personalise its loan offerings and introduce processes that enhance overall customer experience.

FY 23-24 was a transformative year for the Bank's Retail Assets business, marked by significant achievements and

strategic investments in key areas. With a commitment to driving innovation, improving customer experience, and enhancing product suite, the Bank is poised to springboard into the future, solidifying its position as a progressive and future-ready bank and achieving sustainable growth.

## WHOLESALE BANKING

Your Bank is keenly focussed on the retail segment. Your Bank also engages with medium-sized businesses to ensure that it continues to create impact in the fields of financial inclusion, employment generation and equitable economic growth. Your Bank has set up specialised verticals within the Wholesale Banking Group to increase its presence in these areas both vertically and horizontally.



## Financial Institution Group (FIG)

The Bank strives to meet the diverse credit needs across various sectors, with a dedicated focus on Institutional Lending, catering to Non-Banking Financial Companies (NBFCs), Housing Finance Companies (HFCs) and public financial institutions. In FY 24-25, the Bank plans to foray into the financial requirements of Education and Healthcare Institutions, through its existing product suite, which includes Term Loans, Working Capital Limits, Cash Credit and Overdraft facilities.

In addition to traditional lending, the Bank also has credit exposure through Direct Assignments and Investment exposure through Pass through Certificates (PTCs) and Non-Convertible Debentures (NCDs). In the NBFC segment, the Bank's primary

**In the NBFC segment, the Bank's primary focus is to offer secured financing through products like Housing Loan, Loan Against Property, Gold Loan, Business Purpose Loan, Commercial and Vehicle Loans, among others.**

focus is to offer secured financing through products like Housing Loan, Loan Against Property, Gold Loan, Business Purpose Loan, Commercial and Vehicle Loans, among others. On the other hand, in the NBFC-MFI (Microfinance institutions) segment, the Bank is primarily focussed on Priority Segment funding.

FIG segment features a diverse portfolio across various locations in India. Its

Total Advances stood at ₹12,815 crore as on March 31, 2024, compared to ₹10,387 crore as on March 31, 2023, registering a growth of 23% year-on-year (YoY).

## Mid-Market Group (MMG)

Mid-Market Group ('MMG') offers loan products to majorly Small and Medium Enterprises (SMEs) and large corporate borrowers for meeting their working capital and capital expenditure



requirements, including non-fund-based facilities. This usually comprises secured loans extended to businesses involved in manufacturing, trading, services, among others, with acceptable credit rating.

The segment offers both fund-based and non-fund based facilities including Term Loan, Cash Credit, Overdraft, Loan Against Property, Construction/Project Finance, Lease Rental Discounting, Letter of Credit (LoC), Bank Guarantee (BG), etc. While, Cash Management Services (CMS) have already been launched, implementation of Trade Finance and Supply Chain Finance is in advanced stages.

Total MMG Advances stood at ₹6,701 crore as on March 31, 2024, compared to ₹3,605 crore as on March 31, 2023; a growth of 86% year-on-year (YoY).

### Commercial – LAP

The segment primarily offers Loans Against Property ('LAP') to proprietorships, partnerships and private limited companies, in line with the Bank's overall objective of increasing its secured lending portfolio. Other than sourcing business from open market, the segment leverages your Bank's widespread network to build and improve customer engagement and cater to their additional financial requirements. Moving ahead, the Bank aims to deploy advanced technology to achieve faster turnaround time, an imperative to accelerate business volume in this segment. The segment offers bouquet of income-linked programmes to cater to most of the sectors in the market.

Total Advances in the segment stood at ₹516 crore as on March 31, 2024, compared to ₹53 crore as on March 31, 2023; demonstrating a growth of 870% year-on-year (Y-o-Y).

### Business Banking Group (BBG)

Business Banking Group ('BBG') offers loan products to Micro, Small and Medium Enterprises (MSMEs) to fulfil their working capital or capital expenditure requirements. These are secured loans, usually in the range of ₹5 lakh to ₹15 crore, extended to businesses involved in manufacturing,

trading, and services. The loans are offered in the form of secured credit facilities including Term Loan, Cash Credit, Overdraft or Lease Rental Discounting, or as non-fund-based facilities like the Letter of Credit or Bank Guarantee.

Few of the Schematic Loan products offered within the segment are as follows:

#### 1 SME Business Connect

Ranging from ₹10 lakh to ₹5 crore, these loans help entrepreneurs to finance their working capital and capital expenditure requirements. They are offered against primary security such as current or fixed assets, and collateral security such as residential property, commercial property or liquid securities. SME Business Connect loans are provided as fund-based facilities like Overdraft, Cash Credit, or Term Loan and non-fund-based facilities like Letter of Credit or Bank Guarantees.

#### 2 SME GST Connect

These loans help entrepreneurs to finance their working capital requirement and are provided as an overdraft or fund-based facilities. Ranging between ₹25 lakh and ₹3 crore, the loans are offered against collateral security which can be in the form of current assets, property or liquid securities.

#### 3 Bandhan CGTMSE Loan

Bandhan CGTMSE Loan is offered by your Bank to finance the working capital and capital expenditure requirements of Micro and Small Enterprises (MSEs). These loans are provided as fund-based and non-fund-based facilities without any collateral security or third-party guarantee. The loan amount ranges from ₹5 lakh to ₹5 crore, with maximum credit guarantee limit of ₹5 crore per borrower. Collateral security for the remaining uncovered portion of the credit facility can be obtained under "Hybrid/ Partial Collateral Security" product, introduced by CGTMSE.

Total Advances of the segment stood at ₹1,010 crore as on March 31, 2024, compared to ₹535 crore as on March 31, 2023; registering a growth of 89% year-on-year (YoY).

### Agri-Business Loan

Providing credit for agricultural activities not only augments crop production but also empowers farmers and provides the much-required impetus to agricultural sector, the backbone of Indian economy. Recognising this, the Bank offers a wide range of credit facilities and provides extensive financial support to all participants of the agriculture value-chain.

Currently, the segment provides Kisan Cash Credit (KCC) loans to borrowers engaged in farming activities, including animal husbandry, horticulture, pisciculture, etc., at competitive interest rates and minimal documentation. By doing so, your Bank is making it easier for farmers to access credit and make necessary investments in their farms to increase productivity.

To expand its reach and benefit a larger number of farmers, the segment offers (i) both fund-based and non-fund-based credit facilities to entities involved in agri-ancillary products and services, such as food and agri processors, agri input dealers, etc. (ii) credit facilities to support development of agricultural infrastructure, (iii) financing to Corporate Agri customers, with a key focus to on-board quality customers, and (iv) commodity finance.

Total Advances of the segment stood at ₹268 crore as on March 31, 2024 compared to ₹127 crore as on March 31, 2023; a growth of 112% year-on-year (YoY).

## THIRD-PARTY PRODUCTS

In the endeavour to be a bank for all, and to be the one destination for all financial services, your Bank remains committed to providing a comprehensive range of insurance and investment solutions and supporting customers' financial well-being. Over the past year, the Bank has focussed on enhancing its service offerings, leveraging analytics, customer insights, and technology to better meet its customers' evolving needs.



Bandhan Bank has been steadfast in its commitment to serving customers throughout different life stages, supported by a well-established and diversified network of branches, as well as robust Internet and mobile banking platforms. The market for third-party distribution of financial products, including life insurance, general insurance, and mutual funds, is rapidly evolving with the evolution of customer needs and preferences. To keep pace with the customers, your Bank has built strong synergies with third parties to offer robust product propositions suited closely to the customers of the Bank. In addition to the focussed products, the Bank has also established a strong distribution network for third party products, both offline through the distribution network and online, through the digital banking platforms. The focus is to provide the customers of the Bank with need-based solutions to manage their financial well-being.

### Non-Life Insurance

In response to the increased importance of health and financial security post-pandemic, Bandhan Bank has strengthened its partnerships with reputable insurance providers such as Bajaj Allianz General Insurance Company and Niva Bupa Health Insurance Company. Through these partnerships, the Bank offers a diverse range of general insurance products, including home, health, motor, personal

accident, and critical illness insurance. These offerings are designed to help customers manage health-related risks and ensure financial protection against uncertainties. The Bank's strong focus on providing a safety net around health-related risks has led to a comprehensive array of products and solutions tailored to secure the specific health needs of its customers and protect against unforeseen events.

### Life Insurance

India's expanding economy and growing middle class have driven the growth of the life insurance market. Bandhan Bank, as a trusted corporate agent for leading insurance companies such as Bajaj Allianz Life, HDFC Life, and Kotak Life, provides a wide range of life insurance products. These include protection plans, savings plans, market-linked products like Unit Linked Insurance Plans (ULIP), and annuity products with both immediate and deferred annuity options. These products cater to different customer segments and life stages, helping individuals secure their lives and achieve their long-term financial goals. The Bank's offerings are aligned with the market's demand for financial security

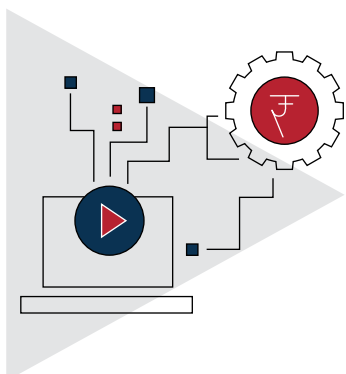
and are designed to support customers in their journey towards financial stability and planning.

### Mutual Funds

The mutual fund market has witnessed significant participation from retail investors, driven by the widespread availability of digital platforms and comprehensive data. Bandhan Bank has partnered with leading mutual fund companies such as Bandhan, HDFC, ICICI Prudential, UTI, Nippon India, SBI, Aditya Birla Sun Life, Kotak, Franklin, Axis, and Mirae Asset. Through these partnerships, the Bank offers a wide variety of mutual fund products across asset classes via its Retail Internet Banking, Mobile Banking, and Branch Banking channels. These products are tailored to meet the diverse investment needs of customers, providing benefits such as asset diversification, disciplined savings, and tax advantages in certain products. The Bank focusses on mutual funds to help customers build wealth and achieve their financial objectives through professional management and strategic investment options.

**To keep pace with the customers, your Bank has built strong synergies with third parties to offer robust product propositions suited closely to the customers of the Bank.**

# Information Technology



FY 23-24 was a milestone year in the journey of your Bank. In October 2023, your Bank undertook a mega migration of the Core Banking System (CBS). The significant scale and complexity of this transformation makes it a unique case in the Indian banking sector. It is a matter of pride that the Bank was able to migrate to the new CBS without significant disruption of banking services to customers.

This migration gives your Bank the capability to expand its product offerings, extend its reach, and deliver a best-in-class banking experience. The new CBS, with the surround systems, will enable the Bank to provide an enhanced, personalised, and frictionless experience and seamless digital banking services.





Your Bank now has a full-fledged core and surround systems framework that has been upgraded and transformed to provide better customer service. With the introduction of the new CBS, online banking, treasury system, debit card management system, and trade services, among others, your Bank has built more capability, security and efficiency through its tech framework. The state-of-the-art CBS allows for stricter adherence to compliance and regulatory guidelines, and effective risk management.

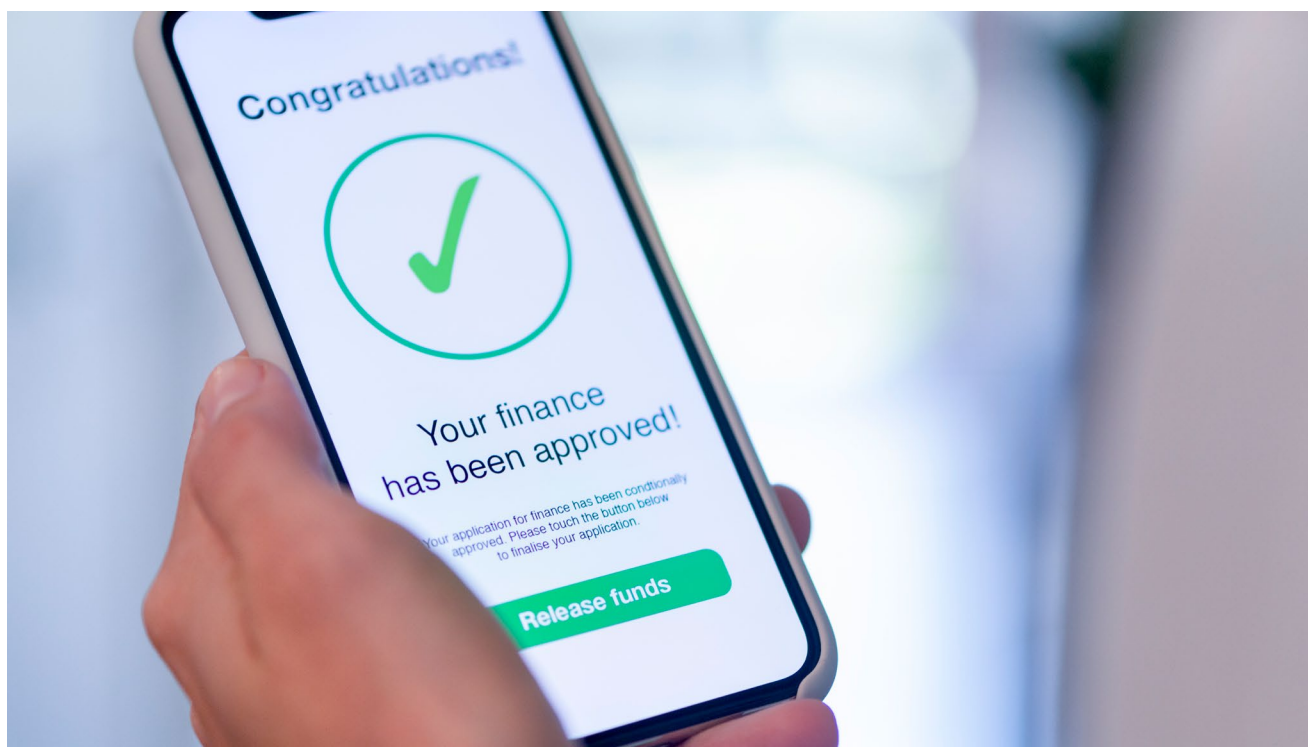
Your Bank is now working towards taking banking to the next level for its customers. API banking, cloud infrastructure and recovery systems are being implemented to make the Bank more accessible, offer a wider range of services, be more data-driven, and have a tech platform that allows for scale. While the Bank already has a robust cyber and data security infrastructure, it is keenly focussing on enhancing the same on an ongoing basis to keep pace with its ever-evolving nature.

We are in an experience economy and customer experience is a key focus area for all service sector players. With the new tech platform and surround infrastructure, your Bank is building capabilities to leverage data and analytics to provide a hyper-personalised experience for customers. The newly created and dedicated Customer Experience team works closely with the tech team to identify and introduce or improve parameters that lead to better customer experience. The Bank is actively evaluating and implementing efficiency builders like Robotic Process Automation (RPA) and the usage of Artificial Intelligence and Machine Learning in decision-making. To empower employees to serve customers better, the Bank is in the advanced stages of implementing CRM modules for various business verticals.

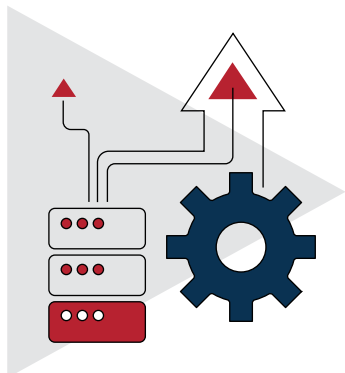
Your Bank will continue to focus on product-led technology. It is in the advanced stages of introducing a cash management system and transaction banking services. The Bank has recently

tied up with a renowned global tech giant for Loan Origination System (LOS) for the Housing Finance vertical. Integration with payment systems like UPI and NPCI ecosystem will make your Bank more accessible to customers and non-customers alike. The integration with Government systems and tax payments is already underway, and the Bank has implemented the same for a few states. With these developments and a host of other services, your Bank will become a front-runner in tech-enabled banking.

People are a critical component of technology development. While the Bank continues to focus on implementing and upgrading technology solutions for better customer experience and service, it is also continually evaluating people capabilities to keep pace with the tech advancement. Your Bank has on-boarded key people in the year under review to strengthen the tech talent in line with the Bank's vision. Moving forward, the evaluation and enhancement of tech teams will be an ongoing part of the Bank's agenda.



# Operational Excellence



Over the past few years, the banking landscape has transformed rapidly, moving from traditional models to a dynamic, data and digital-driven environment. Your Bank has embraced these changes, ensuring its operations remain efficient, robust, and customer-focussed. The Bank's commitment to operational efficiency is evident in its smooth and robust banking operations. It has continually updated its processes to adapt to the changing customer preferences, ensuring a swift pace of growth. This adaptability has been mirrored by the Bank's employees, who have seamlessly integrated into the enhanced operational model. The Bank recognises that technology will continue to drive changes in its operating models, and prepared itself to respond proactively to future demands. The Bank's IT transformation initiatives aim to make it future-ready, aligning with the evolving preferences of its customers. By providing services accessible anytime and anywhere, the Bank meets the demands of its varied customer base.

In an era of rapid transformation within the banking ecosystem, the Bank has consistently adhered to the philosophy of operational excellence. This philosophy focusses on continuous improvement and optimisation of business processes and systems to achieve superior service delivery, creating a preferred experience for its customers. The Bank aims to increase efficiency, reduce waste and costs, and enhance quality and customer satisfaction.

**The Bank, in its pursuit of operational excellence has had a two-pronged approach – it systematically manages its business and operational processes, and it has invested in developing the right organisational culture. The Bank has made substantial investments to build a sustainable and scalable operations ecosystem across critical areas. Additionally, the Bank has implemented a robust business continuity plan to ensure seamless operational management and resilience. The Bank has also built a strong market reputation, backed by the faith and trust of its customers, by providing seamless banking experiences, personalised solutions, and door-Step banking facilities.**

## Technological Advancements

To build and sustain momentum for transforming India, the Bank successfully completed a robust Core Banking System Transformation during FY 23-24. To ensure ease of banking, the Bank leverages technology in every aspect of its value proposition, from designing products and streamlining processes to improving delivery and monitoring.

The Bank has adopted seamless digitalisation and cutting-edge technologies to stay ahead of the curve, introducing various digital-driven products and encouraging customers to adopt digital banking channels. One such initiative is the digital acceptance platform, Bharat QR, to facilitate payments. In its effort towards a paperless banking ecosystem, the Bank has introduced paperless onboarding of customers, a digital EMI payment mechanism, and the issuance of online debit instructions supported by two-factor authentication using Internet banking, debit card, and Aadhaar credentials followed by OTP.

## Senior Citizen Focus

Senior citizens are an integral part of the Bank's customer base, and providing them with the best banking solutions has

always been a priority. With this objective, the Bank has relaunched the Respect Programme as "Inspire", designed to fulfil the banking and lifestyle needs of senior citizens. It includes enhanced features covering all aspects of their medical needs – personal care, medication, and healthcare facilities.

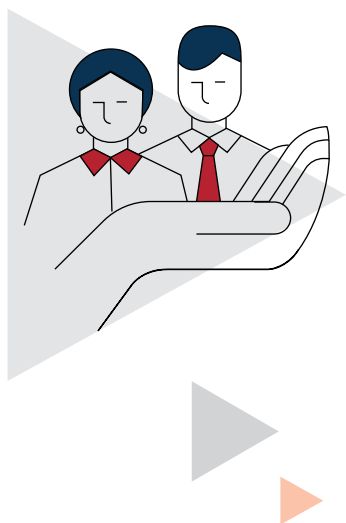
## Grievance Redressal Mechanism

The Bank has established a robust grievance redressal mechanism to address customers' concerns effectively. This mechanism aims to provide timely and satisfactory resolutions to customer complaints, focussing on identifying the root causes of service deficiencies.

## Commitment to Excellence

The Bank reaffirms its dedication to operational excellence. By leveraging advanced technology, enhancing operational efficiency, expanding service offerings, and maintaining a strong focus on customer satisfaction, the Bank is well-positioned to navigate the evolving banking landscape. The Bank's journey forward is guided by its commitment to operational excellence and its mission to help customers manage their money better, ensuring a prosperous future for all stakeholders.

# Human Capital



The sustained business momentum of your Bank in FY 23-24 was backed by the exemplary skills and capabilities of your Bank's employees and their unwavering commitment to deliver customer-oriented service. Acknowledging the vital importance of human capital, your Bank has aligned its policies and practices with industry gold standards, efficiently managing its workforce and relying on it as the foundation for future growth and success.

Your Bank's greatest assets are the people that make the Bank. Keeping the HR policies and practices relevant and competitive with industry best practices is an ongoing endeavour of the Bank. As has been the practice at your Bank since its inception, a fine mix of old and new employees ensures that we bring in the experience while giving opportunities for the people already at the Bank to take up larger or different roles for their career progression. In the year in review, the Bank's processes continued to transition from traditional to digital platforms, enhanced user experience, streamlined operations, and boosted employee productivity. Moreover, the Bank continued its efforts towards improving employee performance, augmenting employee wellness, aligning learning modules to evolving and in-demand skills, and providing a robust forum for employee feedback. Emphasis was also placed on building a strong, collaborative, and empathetic leadership model. The Bank also continued its focus on the growth of branches and channels to achieve greater penetration in the market and strengthen itself as a true Bank for all. By continuously enhancing the HR practices, your Bank strives to remain a dynamic, inclusive, and innovative workplace.

## Workforce Expansion

The Bank's network expanded significantly in FY 23-24 to reach a total of 6,297 banking outlets as on March 31, 2024. The establishment of 42 retail asset centres further reflect the Bank's strategic focus on retail banking, enabling it to meet the customer's requirement for consumer loans, mortgages, and other retail finance more efficiently.

To support this expansion and fulfil its commitment to superior service delivery and operational excellence, the Bank has quadrupled its workforce since inception. The total workforce of your Bank stood at an impressive 75,748 as against 69,702 in the previous year. The new employees were picked from a variety of functions and skill sets, the ones that your Bank is focussing on for the next phase of growth and those that will assist the Bank to achieve its near-term and long-term strategic goals. Campus recruitment drives were organised to contribute to the growth and development of young professionals entering the workforce and creating a talent pipeline for the upcoming years. Your Bank visited 95 top ranked institutes and handpicked 680 young talents for various roles and locations across India.

## Building a Capable Workforce through Learning, Development and Talent Management

In FY 23-24, the Bank accelerated its efforts towards building a strong Learning and Development (L&D) proposition for its employees, in alignment with its strategy for growth across new businesses. The L&D programmes aimed at equipping the employees with

the necessary skillset, mindset and knowledge to meet the challenges of the rapidly changing banking landscape in the country. Focussed on key strategic initiatives, the Bank formulated and implemented engaging learning initiatives to build and enhance employee

competencies. Thematic programmes were organised to improve employee productivity, ensure strict compliance to risk culture and regulations, increase employee engagement, foster employee wellness and develop digital skills.

Some of the key metrics and training interventions implemented during FY 23-24 are enumerated below:

▶ 11.3 lakh learning hours logged during the year, a growth of 84% from FY 22-23.

▶ Per employee learning hours grew by 66% to 50.9 hours in FY 23-24.

▶ In FY 23-24, 99% employees were trained in at least one training format (Internal - Classroom/ External/E-Learning).

▶ The Bank invested in building a robust digital learning ecosystem owing to which the digital learning penetration among employees doubled in FY 23-24. Logins on the Bank's Learning Management System (LMS), Bandhan Edge, reached 8,40,310 as on March 31, 2024, a whopping 277% higher from the previous financial year.

▶ Productivity-based programmes were launched for new businesses/ channels like Affluent Channel, Government business, Current Account and other business units to improve employee productivity.

▶ The L&D initiatives emphasised on building operational excellence as a key theme. Programmes on customer service, first-time-right and branch operations were conducted for the employees.

▶ Management Development Programmes and Leadership Development Programs were conducted internally as well as externally to enhance managerial and leadership skills.

▶ 'Grow with Bandhan', a new initiative was launched for all employees to self-nominate themselves for continuous learning. The initiative included specially-curated, bite-sized skill, behaviour, attitude and mindset building programmes for personal and professional growth.

▶ 'RISE', a culture building programme, was launched as a part of the organisational development strategy. The programme emphasised on the areas of professionalism, collaboration, transparency and speed.

▶ Multiple learning measures were implemented to improve the compliance culture within the Bank. Mandatory training modules on POSH, Information Security, and KYC-AML/CFT were launched.

The Bank has in place a well-defined capability building architecture spanning functional training and leadership development programmes to equip employees with the required skill sets across multiple domains such as banking, compliance, financial and digital services. This aligns new hires to the culture of the Bank and imparts functional knowledge, preparing them for their role. Periodic review of the Bank's learning content and design is crucial to realign it as per the evolving business needs, ensuring that the staff stays abreast with the latest skills

and developments and are adequately equipped to deliver service excellence. This is done by the Bank's L&D team in partnership with the business teams.

### Succession Planning and Leadership Development

A structured succession planning and leadership development process enables the Bank to identify and groom leaders for next level roles. The Bank closely tracks the leadership bench for senior management positions and has created a strong pipeline for critical

leadership roles. Contributing to a positive work environment and long-term organisational success, the Bank has promoted 8,709 employees through a competency-based grade promotion process. In alignment with the Bank's Succession Planning Policy, most leadership positions arising from the Bank's growth and expansion were filled through internal role elevations. This policy was also extended to mid-level positions in retail lending.





### Employee Engagement

The Bank's growth story has been fuelled by its committed and motivated employees who make the Bank an exceptional place of work. In an endeavour to motivate them and build a happy and satisfied workforce, employee engagement programmes have been a regular feature on the Bank's annual calendar.

In the year under review, the Bank organised multiple town-halls with the top management. A cricket tournament, Women's Day celebration, festival celebrations and other local level engagement programmes were also organised to boost employee morale. Aiming to enhance employee wellness, various health awareness initiatives were planned by the Bank. This included online health awareness programmes, regular communication to employees on topics such as potential health risk at workforce and road safety, and a session on 'Prevention of Diabetes' on World

Diabetes Day. Additionally, a webinar on 'Common Gynaecological Problem for Working Women' was also conducted on the International Women's Day. Service Awards were further distributed to recognise and appreciate employees' long-term association with the Bank.

### Health and Wellness

Employee health and wellbeing is non-negotiable. Focussing on them results in a happier and more productive workforce which further creates a positive impact on customer satisfaction and retention. In view of this, the Bank proactively designed and implemented various wellness solutions across business units and workforce group.

The Bank is focussed on integrated and holistic wellbeing of its employees and covers multiple benefits such as Group Medclaim, Group Term Insurance, Group Personal Accidental Coverage, Medical Extension Plan, Bandhan Wellness and Digital Care Plan (B Well Digi Care Plan).

A network of wellness partners, health check-up and diagnostic vendors has been established by the Bank to enable a seamless experience for employees across the country. The Bank's employee offerings are being constantly enhanced by adding new entitlements, features and benefits. As a token of appreciation and to foster positive relationships with former employees, the Bank extended its coverage for retired employees, their dependents and the dependents of deceased staff.

Best-in-class hospitals and expert doctors have been empanelled by the Bank to provide emergency medical consultations and services to employees at discounted rates. Multiple health camps were also organised, enabling employees to regularly monitor their health. Moreover, the Bank organised preventive annual health check-ups as a proactive measure to ensure a physically fit workforce.

## Digital@HR

Your Bank works with a highly comprehensive and integrated platform, which is designed to meet diverse business and people needs. The Bank created employee delight through process automation. Performance Management System (PMS) has been developed, with wide customisation choices linking individual performance to business outcomes, capturing feedback from primary and agile project teams and many more features. Putting people in charge of their careers was the goal of the performance management process. The appraisal process was 100% digital and transparent. Digitisation in HR not only helped in employee satisfaction but also ensured accuracy of information while complying with the required regulatory norms. The Bank launched several digital initiatives for employees like HR Service Desk automated ticketing system, online staff loan application platform, IJP portal, etc. Your Bank also seamlessly integrated the HRMS with the new CBS, a development that was critical and important for the Bank. The Bank ensured compliance with all regulatory and statutory norms in its employee processes and promoted employee adherence to the Bank's Code of Conduct through education and awareness programmes. The Bandhan Bank Alumni Portal is a digital platform which was launched to provide ex-employees with a smooth relieving experience and access to important documentation after their exit from the Bank. As employee needs evolve, the Bank is committed to serving employees with passion and care.

## Notable Milestones

The Bank's onboarding process was modernised and digitised to help new hires get quickly acquainted with the Bank's culture, values, and operations, settle in smoothly and shorten time to productivity. To better understand employees' needs and areas for improvement, the Bank conducted engagement surveys and branch visits. The insights gathered from these surveys and one-on-one connection



during branch visits helped the Bank to address the real concerns and aspirations of the workforce.

The Bank has achieved several significant milestones in creating a workplace that prioritises a human-centric approach and has undertaken multiple initiatives which highlight the Bank's commitment to fostering a supportive and progressive workplace environment:

- ▶ Digitisation has been a core strategy, with more digital solutions getting integrated into major HR processes, including creation of an Employee Achievement Dashboard and mapping out goals during onboarding.
- ▶ Your Bank is committed to fostering a transparent work culture. As a part of this, goals are established and Key Result Areas (KRAs) are uploaded at the time of employee onboarding itself. This approach provides employees with clear metrics and performance indices, ensuring they understand how to positively impact both the Bank and their own development journey. By integrating the performance appraisal process into the HRMS, the Bank aims to provide all employees with clear insights into their performance, assessments, and competencies.
- ▶ The Bank prioritises gender sensitivity and inclusiveness in its HR policy by identifying specific roles for women across various geographies and hierarchical levels. This commitment to diversity and equal opportunity has increased the female workforce by 18%, fostering a more balanced and inclusive workplace.
- ▶ In addition to salary reviews, the Bank introduced performance-linked-pay (PLP) to reward exceptional performance and contributions by the employees. This not only motivated the employees but also aligned their efforts with the Bank's strategic goals. The PLP is over and above the appraisal based variable pay that eligible employees receive after the appraisal cycle.
- ▶ To promote employee well-being and work-life balance, the Bank has increased the total leave balance by 20% and introduced special occasion leaves.
- ▶ Numerous sessions with eminent doctors were organised to guide employees towards a healthier lifestyle. A Medical Extension Plan has also been introduced to address outpatient treatment for employees.



# Risk Management

## Springing Forward with Care



**Alignment of business strategy and risk appetite should minimise the firm's exposure to large and unexpected losses. In addition, the firm's risk management capabilities need to be commensurate with the risks it expects to take.**

**- Jerome Powell**

A robust risk management strategy aligned with industry's best practices and proactive identification and mitigation of potential risks is a priority at your Bank. Taking a leap into the future, your Bank's holistic approach towards managing risks will continue to differentiate it, empower decision-making, protect stakeholder interest and win their trust and loyalty.

Risks managed by the Bank include credit risk, credit concentration risk, market risk, liquidity risk, interest rate risk in banking book, operational risk, fraud risk, conduct risk, outsourcing risk, compliance and legal risk, information security (InfoSec) risk, reputational risk, strategic risk, business risk and their underlying interlinkages.

## RISK AND RESILIENCE



**Do not judge me by my successes; judge me by how many times I fell down and got back up again.**

**- Nelson Mandela**

Risk management and resilience are closely intertwined. Effective risk management practices contribute to resilience by reducing the likelihood and severity of adverse events.

- ▶ In recent years, unexpected global events have disrupted businesses across different parts of the world. The confluence of a global pandemic, massive supply chain disruptions, and many other challenges have fuelled inflation, escalated cost of living, led to large-scale cyberattacks, etc. As a response to such massive adversities, operational resilience has become more vital than ever.
- ▶ Your Bank recognises the critical need for shaping up a resilient and robust organisation that can adapt quickly and take informed decisions and actions. Regular measures are therefore taken to assess the immediate and potential future effects and proactively map probable corrective actions.
- ▶ Resilience testing, through various extreme but plausible scenarios, is done regularly to make the Bank ready for uncertainties, apart from testing for normal risk scenarios.
- ▶ Your Bank prioritises streamlining core business processes which support critical services and products. A comprehensive crisis and Business Continuity Plan (BCP), developed with key stakeholders that can be quickly activated, has been put in place.
- ▶ No business can exist without its employees. Recognising this, your Bank puts people first while preparing for any disruptions. By showing genuine care for employees and their families who may be affected by a crisis, the Bank continuously boosts employee morale. Driven by the belief that "We are all in this together", your Bank's commitment for its people goes beyond social media posts or other marketing content. A people-centric culture along with efforts that prioritise employee well-being creates the foundation for employee trust and loyalty, which extends well beyond the period of disruption.

## APPROACH TO RISK MANAGEMENT



The first step in the risk management process is to acknowledge the reality of risk. Denial is a common tactic that substitutes deliberate ignorance for thoughtful planning.

**- Charles Tremper**

- ▶ Your Bank's Risk Management Framework describes its approach to risk management, and includes provisions for risk governance arrangements; appetite and limits for risk exposures; policies for the management of various risk types; risk culture standards; and risk reporting. The key arrangements and standards for risk management and internal controls that support your Bank's compliance with statutory and regulatory requirements are also clearly defined under this framework.
- ▶ Your Bank follows a dynamic way of setting the risk appetite, which is in sync with the evolving scenario. A testament to your Bank's prudent approach, various additional scenarios over and above that mandated by the regulator are considered and analysed, to gauge the various stress levels that the Bank might face in a dynamic macro and micro economic scenario.

- ▶ Your Bank has a robust Risk Appetite Framework ('RAF') which is reviewed on an annual basis. RAF's monitoring parameters are aligned with the Bank's short-term as well as medium and long-term strategies and business plans.
- ▶ Scenarios and measurement approaches for quantifying risk and capital demands are implemented across the material risk types. Continuous monitoring, stress testing tools and escalation processes safeguard the key capitals and liquidity levels. Systems, processes and policies are critical components of your Bank's risk management capability.
- ▶ Lessons learnt from the recent uncertainties helped your Bank to strengthen its Risk Assessment Framework further. The learnings were incorporated to regulate socio-political risks and conduct risk within the framework and take them into consideration while formulating the Bank's strategy and business expansion plan.
- ▶ Your Bank keeps risk appetite as a guiding document while planning for the growth strategy.

## RISK GOVERNANCE



The key to risk management is never putting yourself in a position where you cannot live to fight another day.

**- Richard S. Fuld, Jr**

Banks need well-defined roles and responsibilities for managing risks, with robust mechanisms capable of holding individuals and teams accountable for their risk management decisions and actions. This includes establishing risk committees, risk appetite frameworks, and efficient escalation procedures to ensure that the risks are identified, assessed, and managed at all levels within the organisation.

- ▶ The risk governance framework provides guidance on adopting a more holistic approach to manage risk, emphasising four related elements:
  - Developing the corporate risk profile.
  - Establishing a risk function that manages risk in an integrated manner.
  - Practising integrated risk management; and
  - Ensuring continuous risk monitoring.
- ▶ Your Bank follows three levels of Risk Governance Framework – Board, Committees of the Board, Management Committees.
- ▶ The Bank's Board, through the Risk Management Committee of the Board (RMCB), is updated regularly and as necessary, on special developments in its risk situation, risk management and risk controlling.
- ▶ The Risk Management Committee of the Board (RMCB) deliberates with the Management on the issues of aggregate risk disposition and risk strategy. It also supports the Board in monitoring the implementation of this strategy.
- ▶ Various risk-related committees at Executive Level, such as Asset Liability Management Committee (ALCO), Credit Risk Management Committee (CRMC), Operational Risk Management Committee (ORMC), Market Risk Management Committee (MRMC), Business Continuity and Planning Management Committee (BCPMC), Information Security Committee (ISC), etc., serve as formalised decision-making forums, which enable the views of risk decision takers and risk managers to be taken into account.

- ▶ The Chief Risk Officer (CRO) is directly responsible for all the risk management functions, such as Credit Risk Management, Market Risk Management, Operational Risk Management, Liquidity Risk Control and Information Security. In addition, the CRO is also responsible for monitoring, analysing, and reporting risks on a comprehensive basis.

- ▶ Independence of the CRO is ensured through a fixed tenure, reporting structure and periodic reviews by the Board and RMCB.

## RISK CULTURE



**If you get the culture right, most of the other stuff will just take care of itself.**

**- Tony Hsieh**

Your Bank believes in the philosophy of “Setting the Tone from the Top”. The Board and Management fosters a strong risk culture within the organisation which influences the rest of the employees and drives strong risk resilience across all roles and levels, in turn safeguarding the key capitals and upholding your Bank’s reputation.

Risk culture at your Bank is nurtured through:

- Regular and adequate risk management training of employees based on their profiles and roles in risk management. Every risk taken needs to be approved within the risk management framework.
- Issuing weekly/monthly newsletters and publications on various areas of risks.
- Issuing directions on measures required for strengthening of risk culture, formulation of policies and frameworks, whistle blower mechanism, risk appetite framework, etc.
- Placing emphasis on taking risks within the defined risk appetite. Also ensuring that the risk taken is adequately compensated in line with risk adjusted performance measures.

### Key Drivers of Risk Culture

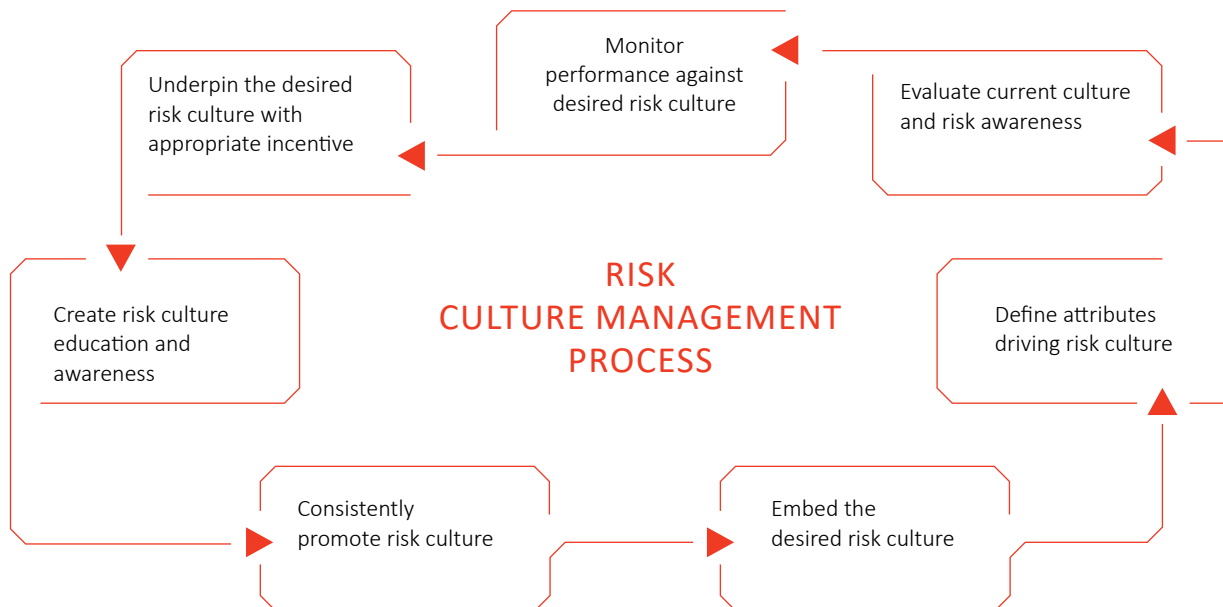
- ▶ Leadership and ‘Tone from the top’
- ▶ Decision-Making
- ▶ Risk Governance Structure
- ▶ Recruitment, Training and Competence
- ▶ Reward
- ▶ Learning Environment



### Strong Risk Culture Demonstrates

- ▶ Viable and consistent role modelling from senior leadership; core values practised in daily actions
- ▶ Transparent and coordinated decision-making
- ▶ Continuous and constructive challenging of preconceptions, decision-making and actions
- ▶ High standards of analytical insight and information-sharing at all levels
- ▶ Rapid escalation of issues and concerns
- ▶ Failures used as critical learning opportunities
- ▶ Incentives that encourage all members to “do the right thing” while considering the overall health and operation of the organisation
- ▶ Focus on external stakeholders of risk (e.g., customers, markets, societies)

Your Bank periodically evaluates its current culture and risk awareness status by following a well-defined Risk Culture Management Process, which is depicted below:



## RISK STRATEGY AND CAPITAL



If you don't risk anything, you risk even more.

**- Erica Jong**

Your Bank aims to maintain adequate capitalisation on an ongoing and forward-looking basis, i.e. internal capital supply to exceed internal capital demand. The Bank maintains compliance with the ICAAP (Internal Capital Adequacy Assessment Process) as required under Pillar 2 of Basel III, through its robust risk management and governance framework, methodologies, processes and infrastructure.

The Bank employs a strategic planning process that aligns its risk strategy and appetite with its commercial objectives – a continuous monitoring process against approved risk, leverage and capital. Regular reporting of risk, leverage and capital to management; and a robust stress testing framework.

The ICAAP, Risk Appetite Framework, and Strategic Document are annually approved by the Board and reviewed on a periodic basis, ensuring alignment between risk, capital and strategy.

## RISK AWARENESS & COMMUNICATION



The art of communication is the language of leadership.

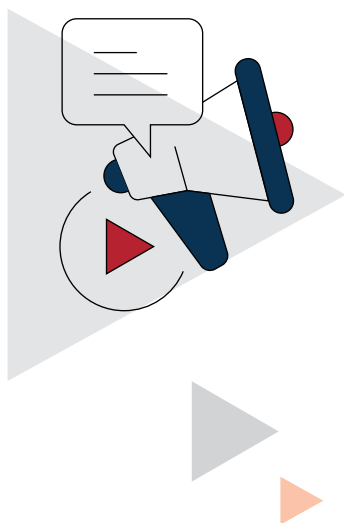
**- James Humes**

Your Bank believes that communication plays a pivotal role in building enhanced risk awareness amongst the stakeholders, especially in matters related to risk culture and cybersecurity, and that a risk aware employee and customer is in itself a way to mitigate undesired risks.

Your Bank runs regular awareness campaigns and adopts various modes to educate its employees regarding the various aspects of risk management. These include:

- ▶ Periodic newsletters
- ▶ Circulars
- ▶ Floor level awareness sessions and workshops
- ▶ Innovative messaging through desktop screensavers
- ▶ Information security awareness for customers through multilingual text messages, emails and social media posts
- ▶ Framework for gauging the efficacy of Information Security Awareness

# Building Brand Bandhan Bank



Your Bank is a pan-India universal bank with the goal of being truly a bank for all. With that direction in consideration, your Bank has focussed on creating visibility across the country through various Marketing initiatives.

## Launch of Sonic Branding – Call of Bandhan

Like the logo of the Bank is a visual identity unique to what it stands for, a sonic identity helps establish the brand better. In FY 23-24, your Bank launched its sonic identity – Call of Bandhan. The track has been composed by the renowned and award-winning composer, Amit Trivedi. The sonic identity has been created keeping the values that the Bank stands for. Your Bank has implemented the 'Call of Bandhan' across various touchpoints like call centre hold tune, caller tune for the official branch mobile numbers and also in various communication that the Bank develops from time to time.

## Large Scale Awareness Campaigns Television

Your Bank onboarded Sourav Ganguly as the brand ambassador in FY 22-23. Using his persona, the Bank executed three campaigns on TV to reinforce the trust that your Bank is known for. These campaigns continued to build on the synergy between the Bank and Sourav Ganguly, leveraging his mass appeal.

Further, with the closure of FY 22-23, the Bank showcased the key milestone achievements through a television campaign to highlight the strength of your Bank in numbers. The campaign showcased the Bank's strong financial performance in the fourth quarter of FY 22-23, highlighting the Bank's significant achievements and building confidence among the Bank's stakeholders. By presenting robust financial results, this campaign aimed to reinforce trust and assurance in the Bank's strategic direction, demonstrating the Bank's ability to deliver consistent growth and value.

Through various campaigns, your Bank has ensured visibility in over 60 TV channels, with communication in 11 languages in the past year to reach out to a wide set of audience across geographies.



## Outdoor design



### Out-of-Home

The Bank expanded its out-of-home (OOH) advertising efforts, enhancing its visibility and reach across various cities. To increase awareness among mass affluent customer, the Bank hired display sites in major airports across the country. These sites carried various messages ranging from product communication to financial strength.

In Kolkata, the home market for the Bank, through sites in prime locations throughout the city, the brand garnered maximum exposure and engagement. The campaigns through these sites have been instrumental in keeping the Bank's brand top-of-mind among existing and potential customers, reinforcing the Bank's strength in the market.

### Impact Media Partnerships

To further boost the Bank's visibility, Bandhan Bank partnered with prominent properties such as ABP Ideas of India, Zee Cine Awards, Zee SaReGaMaPa, among others. These strategic partnerships have significantly enhanced the Bank's reach and presence, allowing the Bank to connect with a broader audience through trusted media channels. In addition to visibility, the Bank also got screen time in these high-viewership properties where it communicated relevant messages to the target audience.

### Digital Outreach

The Bank furthered its presence in digital media in FY 23-24. The Bank has adopted a two-pronged approach towards digital media –

- ▶ Drive large scale engagement and visibility by leveraging key days in the year like Mother's Day, Children's Day, etc.
- ▶ Drive product visibility through various targeted social media posts

The overall reach on social media platforms soared by 317%, while impressions increased by 181% over the previous year. Additionally, in Online Reputation Management (ORM),

the Bank witnessed a reduction in First Level Response time by 65%, further emphasising the focus of the Bank in addressing customer issues and requests.

Website traffic also showed impressive gains, with traffic from social media increasing by 17% and user traffic increasing by 20%.

### Product Marketing Initiatives

The Bank's marketing efforts were significantly ramped up for its diverse product offerings, including home loans, car loans, personal loans, fixed deposits, and savings accounts. Each campaign was meticulously tailored to meet the specific needs of the Bank's customers and drive product awareness.

The Bank's product marketing efforts are closely aligned to the business priorities by markets. The objective is to enable teams on ground to generate more business through concerted efforts. Through a mix of product benefits and key propositions, the marketing efforts are aimed to generate customer interest, brand affinity thus enabling sales closure.

### Fraud Awareness and Cyber Jagrookta Campaigns

In FY 23-24, Bandhan Bank undertook extensive efforts to educate and alert customers about potential fraud activities and cyber security threats. Through SMS, emailers, and social media campaigns, the Bank aimed to enhance customer awareness and promote safe banking practices. These campaigns highlighted various types of fraud, precautionary measures, and steps to take in case of suspicious activities. The comprehensive approach ensured that customers were well-informed and equipped to protect themselves from cyber threats and fraud.

### Foundation Day Celebration

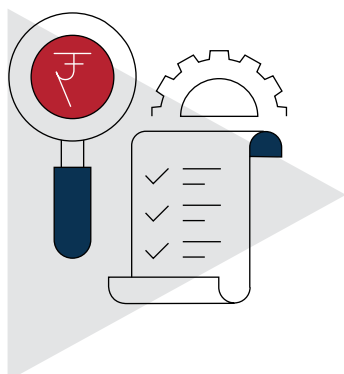
The Foundation Day celebration on August 23, 2023, was a grand event held at the JW Marriott Hotel in Kolkata. Mr. Keki Mistry, Director, HDFC Bank, was the chief guest, and, renowned singer, Shreya Ghoshal gave a mesmerising performance. This celebration not only marked another year of success for Bandhan Bank but also reinforced the Bank's commitment to its customers and stakeholders.



**Chief Guest, Mr. Keki Mistry, Director, HDFC Bank, delivering the anniversary lecture at the Foundation Day.**



# Treasury Management



## Pioneering New Paths for Financial Stability and Success

The Treasury department of your Bank stands as a centre of financial acumen, meticulously balancing the assets and liabilities to optimise liquidity, interest rate risk, and profitability, while complying with all statutory requirements. With a competent team, technological prowess, and forward-thinking approach, the department is well-equipped to enable your Bank to unlock its potential and move into the next phase of growth.

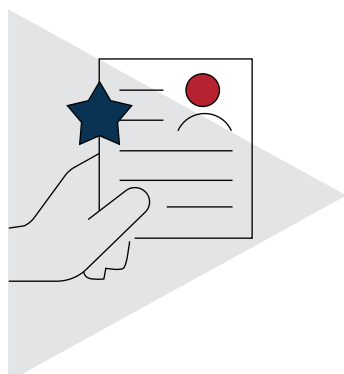
Your Bank's strategic priority lies in building resilience so as to ensure robust financial health irrespective of the economic climate. This is where a competent Treasury team with a keen eye on regulatory requirements and market trends brings in its expertise. The department's responsibilities further extend to efficiently managing your Bank's investments and trading activities in

diverse financial instruments including bonds, equities and foreign exchange markets. By leveraging the sophisticated interfaces available and deployed by the Bank, and with a deep understanding of market dynamics, the Treasury team maximises returns while managing the risks. Moreover, the department serves as an epicentre for foreign exchange (forex) activities within your Bank

and helps clients to easily navigate the ever-expanding and complex landscape of global currency markets.

The completion of a major IT infrastructure upgrade during FY 23-24 has further enhanced the department's capacity to serve its stakeholders in a seamless manner.

# Compliance



The Compliance Department plays a pivotal role in the corporate governance structure of the Bank. Commitment to compliance is embedded throughout the organisation, starting from the highest levels where both the Board and Management actively foster a robust risk and compliance culture. The Bank maintains a steadfast commitment to upholding stringent compliance standards, aligning with regulatory, statutory, and internal guidelines. A comprehensive Compliance Policy has been established, outlining the Bank's compliance philosophy and clearly delineating roles and responsibilities within the Compliance Department.

The Compliance Department supports the Board and Management in managing the Bank's compliance risks. It ensures that all Bank activities strictly adhere to guidelines issued by the RBI and other regulators, as well as various statutory provisions, standards, and codes prescribed by bodies such as FEDAI, FIMMDA, etc. The Compliance Department collaborates closely with various other departments of your Bank to provide guidance on regulatory requirements, ensuring thorough understanding and compliance.

Additionally, the Compliance Department collaborates with the Risk and Internal Audit Departments to monitor various activities of the Bank with emphasis on active risk management. It serves as the primary point of contact with the RBI and other regulatory entities, offering guidance on regulatory interpretation and actively monitoring and testing for any deviations or gaps. The Department supports effective implementation of regulatory guidelines and reports regularly to the Audit Committee of the Board (ACB),

the Board, and Management on the Bank's compliance status in response to regulatory changes.

The Bank maintains a robust Anti-Money Laundering (AML) Policy supported by effective tools to mitigate AML risk, ensuring ongoing compliance and proactive risk management. Periodic reviews by the ACB assess the Compliance Department's performance and the Bank's compliance with regulatory guidelines.

# Stories of Transformation

## Springboard to Equality

### Prembati

Location: Mathura



**Bandhan Bank has been our lifeline. From the very first loan, they believed in us and supported us through thick and thin. We will remain forever grateful for their unwavering support.**



Prembati and her family were struggling to make ends meet. Back then, their business was modest. Despite these hardships, they began crafting clay products with just two machines and two staff members, relying heavily on manual labour. Realising the need for financial support to grow their business, Prembati turned to Bandhan Bank.

Her first loan from Bandhan Bank, a sum of ₹10,000, marked the beginning of a transformative journey. With each subsequent loan, her business took significant leaps. They invested in more machines, expanded their product range, and increased production capacity. Today, they operate with five machines, and her family is actively involved in the business. The business also provides employment to five skilled craftsmen from the community, producing 2,500 to 3,000 units of clay products daily to meet the ever-growing demand.

Looking ahead, Prembati plans to use the next loan from Bandhan Bank to acquire a dyeing machine, which will further enhance their production capabilities and expand their product range.

Their clay products are highly sought after and sold to wholesalers across Uttar Pradesh and Delhi. Their product's superior quality caused the demand to surge rapidly. With a substantial profit of around ₹80,000 per month, their financial stability has dramatically improved from their initial earnings of around ₹8,000 per month.

This transformation reaffirms that nothing is impossible with determination and hard work. And, with a little help from Bandhan Bank, Prembati has not only improved the family's financial and lifestyle conditions but also created job opportunities for others in the community.

## Soniya Duseja

Location: Surat



**Bandhan Bank was a beacon of hope when all other doors were closed. Their faith in my potential allowed me to build my dream business from scratch. Today, I am proud of what I have achieved, and I owe it all to their incredible support.**

Soniya Duseja's story began with a desire to start her own business. However, she faced the harsh reality of financial struggles, constantly battling to make ends meet. Limited finances and the daily grind of managing household expenses left her feeling constrained. Despite these significant challenges, Soniya's spirit remained undaunted.

With limited funds, Soniya started small, selling goods from a simple table in a vacant room of her house. However, the meagre profits of ₹15,000 per month were insufficient to sustain her ambitions. Responding to customer demands, especially for cosmetics, Soniya envisioned expanding her business but lacked the necessary funds. Soniya's fortunes changed in 2019 when a neighbour introduced her to Bandhan Bank. Securing her first loan of ₹25,000, Soniya wasted no time investing in her business. With each loan, she diligently expanded her product range, rented a shop and reinvested the profits for further growth.

As her business flourished, Soniya's shop underwent a remarkable transformation. With an increasing monthly sales exceeding ₹2.5 lakh and monthly profits reaching around ₹1 lakh, Soniya expanded the shop and renovated her home. Today, her fully furnished shop offers a diverse array of products for women, including cosmetics, bags, and dresses.

Soniya's success story extends beyond business metrics. With her son and daughter-in-law joining the business,



Soniya's enterprise has transformed into a collaborative family venture. The shop is now staffed by one employee to assist her with daily management.

Remarkably, Soniya's shop, which initially had a stock value of just ₹40,000, now boasts inventory worth over ₹10 lakh. Her current loan with Bandhan Bank stands at ₹4 lakh, a testament to the institution's unwavering support in her journey. Reflecting on her journey, Soniya expresses profound gratitude towards Bandhan Bank, whose support proved instrumental when no other avenue seemed viable.



**Jamimahrani Samuel****Location:** Goa

**Bandhan Bank came into our lives at a time when we had lost all hope. Their support allowed us to revive my restaurant and thrive despite the pandemic. They have shown us that with the right support, we can achieve our dreams and more. We are deeply thankful.**



Jamimahrani Samuel used to run a restaurant while her husband managed a wholesale vegetable shop. However, when the COVID-19 lockdown hit, the restaurant faced tough times, leading them to shut it down. During this challenging period, Jamimahrani found joy in the arrival of their baby boy and became a full-time mother. As their son grew, Jamimahrani's entrepreneurial spirit reignited, urging her to reopen her restaurant. However, the lack of funds posed to be a hurdle for her.

Fortunately, fate smiled upon them when they discovered that Bandhan Bank's banking outlet was conveniently located right above their vegetable shop. Seizing the opportunity, Jamimahrani approached the Bank's staff, sharing their situation and requesting for a loan to help her restart the restaurant.

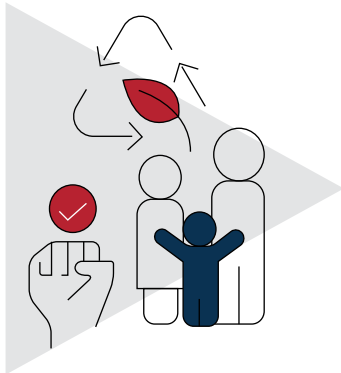
Things took a turn for Jamimahrani, when her association with Bandhan Bank began. By granting Jamimahrani her first loan of ₹2,00,000, the Bank not only provided financial assistance but also instilled confidence in her ability to succeed.

With the financial support from Bandhan Bank, Jamimahrani reopened her restaurant, fondly named "777 Eater's Den". She found a cosy space to lease and hired a team of three skilled cooks, two waiters, and a competent manager to bring her vision to life. As "777 Eater's Den" opened its doors, it quickly gained popularity, with locals gathering in large numbers to enjoy their favourite dishes. Meanwhile, her husband continued to run the vegetable shop.

Today, Jamimahrani's shop is thriving. With daily sales exceeding ₹70,000 and monthly profits surpassing ₹2,00,000, their financial stability has dramatically improved, with a little help from Bandhan Bank.

Encouraged by their success, the couple expressed their desire to expand their businesses further, with plans to seek additional support from Bandhan Bank in the future. Jamimahrani's journey is a testament to the transformative impact of the Bank's support, not just in their lives but in the larger context of women empowerment and employment generation.

# Committed to Making a Difference in the Communities



The Bank's journey is rooted in its commitment to transforming lives and fostering community development. The Bank conducts its CSR initiatives through various agencies, including Bandhan-Konnagar. Each programme aims to have a profound impact in areas such as education, healthcare, livelihood promotion, sustainable development, climate action, financial literacy, skill enhancement, and job creation.

## Targeting the Hardcore Poor Programme

The programme takes a comprehensive approach, offering free assets, consistent counselling and mentoring support. To ensure their basic needs are met during the initial phase, a weekly consumption stipend is provided.



**8**

States

**5,903**

Villages

**50,500**

No. of women covered

**3.2x-4.2x**

approximate increase in household income

This is a unique initiative specifically designed for the most vulnerable women. Through this programme, women are provided with grants in the form of non-monetary assets, enabling them to generate income and improve their livelihoods. Within a span of 24 months, these women undergo a transformative journey, lifting themselves out of extreme poverty and integrating into mainstream society.

The programme takes a comprehensive approach, offering not only free assets but also consistent counselling and mentoring support. To ensure their basic needs are met during the initial phase, a

weekly consumption stipend is provided. Financial literacy training equips them with the knowledge to make informed financial decisions, while education on relevant social issues enhances their awareness and overall well-being. The programme also focusses on building their confidence.

Over the years, this intervention has demonstrated a positive impact on the lives of many participants. They achieve a reasonable monthly income, experience improved health, and are able to provide support to their families.



## Health Programme

As part of this initiative, interested women from the villages are selected and provided with comprehensive training to become health volunteers known as Swastha Sahayikas (SS).

5

States

5,213

Villages

13,44,558

No. of women covered

100%

Stakeholders reported improvement in nutritional levels, health, safe drinking water and access to healthcare services and menstrual hygiene products

- RY Impact Assessment Study



This programme aims to raise health awareness and reduce healthcare expenses for underprivileged families, with special emphasis on the well-being of children under five years of age, pregnant women, lactating mothers, and adolescent girls. It focusses on topics such as safe motherhood, child nutrition, personal hygiene, and sanitation.

These volunteers play a crucial role in the villages by organising regular health forums and providing health education to the community. The programme also includes services related to linkage and referral, the distribution of health kits, and the establishment of water treatment plants to ensure access to safe drinking water.

## Education Programme

In rural areas, Bandhan Education Centres and Bandhan Academy have been established to provide quality education to pre-primary and primary students. Bandhan Education Centres prioritise the education of girls and provide free complimentary reading materials and school kits.

5

States

1,484

Villages

1,14,391

No. of students covered

100%

Students were able to identify numbers, and alphabets, can read texts, and perform basic calculations to meet the goals of Foundational Literacy and Numeracy (FLN)

-EY Impact Assessment Study



The education programme strives to provide quality education in a supportive environment to underprivileged children across different age groups in pre-primary and primary classes. It adopts a unique and cost-effective model to ensure access to education and empower these children with the skills and knowledge necessary for their overall growth and future success. The programme focusses on classroom learning, attendance, and offers opportunities for extracurricular activities.

Additionally, under the programme, low-cost formal schools known as Bandhan Academy have been established. These schools offer comprehensive development opportunities for children, including academic education and engagement in extracurricular activities.



## Employing the Unemployed Programme

**Bandhan Skill Development Centres (BSDC) have been established to offer skill development courses in various domains, including sales, hospitality, ITes-BPO, computerised accounting, refrigerator and air conditioner repair, and more.**

**5**

States

**17**

Centres

**17,114**

No. of youth covered

**75%**

Youths placed in various industries with average monthly income of nearly ₹11,000

*-EY Impact Assessment Study*



This programme focusses on tackling the issue of unemployment in India by providing vocational training to unemployed youth. To achieve this, Bandhan Skill Development Centres (BSDC) have been established to offer skill development courses in various domains, including sales, hospitality, ITes-BPO, computerised accounting, refrigerator and air conditioner repair, and more.

Upon successful completion of the skill development courses, candidates have the option to explore entrepreneurial opportunities or secure employment with well-established companies. By providing vocational training and facilitating job placement, the programme strives to empower unemployed youth, enabling them to become self-reliant and contribute to the nation's workforce.

## Financial Literacy Programme

**The objective is to raise awareness among the rural populace and disadvantaged women regarding financial matters and empower them to take charge of their personal finances**

**2**

States

**2,017**

Villages

**4,76,872**

No. of women covered

**100%**

Stakeholders can understand and manage their finance better and feel confident in using digital financial services

*-EY Impact Assessment Study*



This programme focusses on promoting financial literacy and inclusion in rural communities, recognising that financial knowledge and access to financial services are vital for individuals and communities to progress towards sustainable growth.

This initiative places special emphasis on enhancing participants' financial awareness and confidence. Participants are equipped with the knowledge and skills to access a range of banking services, including insurance and pension schemes.

## Climate Action Programme

7

States

180

Villages

4,17,525

No. of saplings planted



Aligned with the United Nations' Sustainable Development Goal 13 and the Paris Accord, the Climate Action Programme aims to combat climate change and its impacts. Recognising the interconnectedness of climate action with the broader 2030 Agenda and the 16 Sustainable Development Goals.

Climate change is primarily driven by greenhouse gas (GHG) emissions, and it is crucial to reduce these emissions and enhance carbon sequestration to mitigate its effects. Your Bank's Climate Action Programme contributes to this goal through the following strategies:

### Reducing Atmospheric Carbon

Carbon sequestration through  
plantation and agroforestry

Reducing GHG emissions through  
clean development practices and  
technologies in energy, agriculture,  
and allied sectors

### Climate Change Adaptation

Building resilience to climate change  
and extreme weather conditions  
among vulnerable communities by  
addressing the interrelated SDGs

Mitigating climate change impacts

The Intergovernmental Panel on Climate Change (IPCC) 2021 states that the agricultural sector in India faces high vulnerability to drastic weather events due to poor climate-resilient agricultural practices, inadequate water management, over-dependence on conventional energy sources, extensive chemical use harming soil health, loss of soil quality and topsoil, excessive groundwater dependence, biodiversity loss, and disruptions to ecosystem balance, contributing to high greenhouse gas (GHG) emissions.

Considering these vulnerabilities in the agricultural sector, this year the Bank launched a new initiative on Climate Smart Villages (CSV) under the Climate Action Programme. The aim of this programme is to develop a holistic climate action approach for villages to enhance climate resilience. This includes ensuring water security and mitigating erratic rainfall patterns through water conservation to protect rain-fed agriculture and promoting the adoption of climate-resilient crop varieties.

The Climate Action Programme also maintains its commitment to carbon sequestration through afforestation, particularly mangrove plantation, and the greening of urban spaces.

# Board's Report

To  
The Members,

Your Board of Directors present the Tenth Annual Report on the business and operations of your Bank, together with the Audited Financial Statement for the Financial Year ('FY') ended March 31, 2024.

## Financial Performance of the Bank

The financial highlights for the FY under review, are presented below:

(Figures in ₹ crore)

Particulars	For the FY ended	
	March 31, 2024	March 31, 2023
<b>Deposits:</b>	<b>1,35,201.99</b>	<b>1,08,064.69</b>
- Savings Bank Deposits	40,486.15	36,038.10
- Current Account Deposits	9,664.55	6,412.43
- Term Deposits	85,051.28	65,614.16
<b>Advances (Net):</b>	<b>1,21,136.78</b>	<b>1,04,756.77</b>
- Cash Credits, Overdrafts and Loans repayable on demand	22,844.68	22,048.64
- Term Loans	98,292.10	82,708.13
<b>Total Assets/ Liabilities</b>	<b>1,77,841.66</b>	<b>1,56,037.09</b>
Net Interest Income	10,325.61	9,259.62
Non-Interest Income	2,164.65	2,468.55
Less: Operating Expenses (excluding Depreciation)	5,613.20	4,494.17
<b>Profit before Depreciation, Provisions and Tax</b>	<b>6,877.06</b>	<b>7,234.00</b>
Less: Depreciation	237.58	142.65
Less: Provisions	3,696.57	4,198.37
<b>Profit Before Tax (PBT)</b>	<b>2,942.91</b>	<b>2,892.98</b>
Less: Provision for Tax	713.35	698.34
<b>Profit After Tax (PAT)</b>	<b>2,229.56</b>	<b>2,194.64</b>
<b>Balance in Profit &amp; Loss Account brought forward from previous year</b>	<b>7,453.78</b>	<b>6,009.94</b>
<b>Appropriations:</b>		
Transfer to Statutory Reserves	557.39	548.66
Transfer to Statutory Reserve u/s 36(1)(viii) of the Income-tax Act, 1961	98.41	169.21
Transfer to Capital Reserve	4.18	1.74
Transfer to Investment Reserve	153.28	-
Transfer to Investment Fluctuation Reserve	(50.68)	31.19
Dividend pertaining to previous year paid during the year	241.63	-
<b>Balance carried over to Balance Sheet</b>	<b>8,679.13</b>	<b>7,453.78</b>
<b>EPS (Basic) (in ₹)</b>	<b>13.84</b>	<b>13.62</b>
<b>EPS (Diluted) (in ₹)</b>	<b>13.84</b>	<b>13.62</b>

## State of Affairs of the Bank

While your Bank completed eight years of its operation during the FY under review, it has continued to demonstrate strong growth both on liability as well as loan side. During the FY, total deposits grew further from ₹1,08,064.69 crore as on March 31, 2023 to ₹1,35,201.99 crore as on March 31, 2024 registering a growth of 25.1 per cent. whereas total advances (net) grew further from ₹1,04,756.77 crore as on March 31, 2023 to ₹1,21,136.78 crore

as on March 31, 2024 registering a growth of 15.6 per cent. Your Bank has also crossed ₹2.5 lakh crore in terms of total business and the size of Balance Sheet crossed ₹1.75 lakh crore. The strong growth of your Bank reflects the trust of millions of customers and their continued association over the years with the Bank. Your Bank stayed on the path of building on faith reposed by its customers which is reflected in its staggering customer base of 3.36 crore as on March 31, 2024.



During the FY under review, your Bank has been on the course with its strategic priorities of portfolio diversification. As on March 31, 2024, microfinance loan book has been reduced to 32.7 per cent. of the total asset book from 34.9 per cent. as on March 31, 2023 whereas Commercial Banking portfolio was at 21.6 per cent., Housing portfolio at 24 per cent., Retail portfolio at 4.5 per cent. and SBAL portfolio was at 17.2 per cent. of the total loan book of your Bank as on March 31, 2024.

With regard to the strategic priority of geographical diversification, among the new banking outlets opened during the year under review, the majority were outside of the core markets of East and North East India, resulting in an increased presence in the western and southern parts of the country. During the FY under review, your Bank has added 298 new banking outlets taking the total count of banking outlets to 6,297 as on March 31, 2024. Out of the total banking outlets, 33 per cent. are in rural, 37 per cent. in semi-urban, 18 per cent. in urban and 12 per cent. in metro locations. The number of customers has increased from 3 crore as on March 31, 2023 to 3.36 crore as on March 31, 2024. Expansion of network of banking outlets and customer base, resulted in higher deposits growth of 25.1 per cent. The Current Account and Savings Account ('CASA') deposits have recorded an increase of 18.1 per cent. from ₹42,450.53 crore as on March 31, 2023 to ₹50,150.70 crore as on March 31, 2024.

During the FY under review, the total income (net) of your Bank has increased by 6.5 per cent. to ₹12,490.26 crore as against the total income of ₹11,728.17 crore for FY 2023. Net Interest Income for the FY 2024, stood at ₹10,325.61 crore compared to ₹9,259.62 crore for FY 2023, representing a growth of 11.5 per cent. NIM for the FY 2024 was 7.3 per cent. The Profit After Tax ('PAT') stood at ₹2,229.56 crore for the FY 2024, an increase of 1.6 per cent. as compared to ₹2,194.64 crore for FY 2023. Consequently, Return on Average Equity ('ROAE') was 10.7 per cent. and Return on Average Asset ('ROAA') was 1.4 per cent. Correspondingly, basic as well as diluted Earnings Per Share ('EPS') increased from ₹13.62 to ₹13.84 as at the end of FY 2024 in comparison to FY 2023. The GNPA as on March 31, 2024 was 3.84 per cent. whereas net NPA was 1.11 per cent.

Your Bank continues to focus on financial inclusion by providing various financial services to the underserved. The Reserve Bank of India ('RBI') has mandated Priority Sector Lending ('PSL') of a minimum 40 per cent. of advances for all banks. Your Bank's PSL was ₹60,123 crore as on March 31, 2024 as compared to ₹54,176 crore as on March 31, 2023. At the end of FY 2024, PSL as a proportion of the gross advances of ₹1,24,574.05 crore was 48 per cent.

Highlights of various business segments of your Bank during the FY under review are mentioned below:

### Emerging Entrepreneurs Business

The Emerging Entrepreneurs Business ('EEB') of your Bank has been serving borrowers at the bottom of the pyramid with affordable and convenient loans to help them develop into entrepreneurs and transform their lives. Your Bank's EEB strategy is guided by

its long-held philosophy of financial inclusion and economic empowerment of the disadvantaged sections of the society. The endeavour of your Bank is to nurture these entrepreneurs and help them move up the socio-economic hierarchy. In their movement upwards, your Bank is by them to support with whichever financial service they may require in the journey.

Your Bank offers a wide array of loans through Banking Unit ('BU') outlets under EEB vertical to benefit small business owners in need of financial assistance. Your Bank operates its Group Loans and Small Business & Agri Loans ('SBAL') business channels from its BU outlets while Small Enterprise Loans ('SEL') are operated from the bank branches.

Each BU is linked to a bank branch for operational convenience. BUs are self-sufficient and empowered to open deposit accounts using TABs and also open loan accounts after necessary credit checks. The highlight of the BUs' operations is the TABs that are connected to the Core Banking System ('CBS') through cellular data. Relationship Officers ('RO') carry these TABs to their group meetings, and the entire instalment reconciliation for the customer happens through these TABs on real-time basis. To ensure timely and effective support to the BUs in their day-to-day functioning, your Bank has a structure comprising Circles, Territories, Divisions, Areas and BU Catchments. A central operation team maintains oversight of the quality of the operations and adherence to prevalent guidelines at all times. Your Bank lays significant emphasis on processes and controls to help maintain uniform and consistent standards in transaction processing and service delivery, as well as compliance with regulatory and statutory guidelines.

During the FY under review, your Bank's commitment towards financial inclusion is also reflected in the fact that it offered loans to 21,09,921 new borrowers under Group Loan and SBAL during the FY 2024. The portfolio for Group Loans stood at ₹40,745.31 crore whereas SBAL and SEL portfolio stood at ₹21,501.74 crore and ₹5,671.83 crore, respectively, at the end of FY 2024, as your Bank worked towards bringing additional measures in credit control in order to improve the quality of its portfolio.

Your Bank now has several loan products under its Group Loans, SBAL and other categories, which are provided from BU outlets and branches to cater better to the varied demands and needs of its customers:

### Group loans

1. **Srishti Loan:** Timely funds to start a new business or grow an existing one. Loan size is from ₹15,000 to ₹1,50,000.
2. **Subridhhi Loan:** Loan amount is up to 50 per cent. of the disbursement amount of running primary loan. Sanctioned to help customers fulfil their extra business requirement during their ongoing loan.
3. **Suraksha Loan:** Loan size is up to ₹15,000 and is sanctioned to help existing customers meet their emergency expenses, e.g.- medical, drinking water and sanitation.

4. **Sushiksha Loan:** Loan size is up to ₹10,000 and is sanctioned to help customers meet expenses towards the education of their children.
5. **Bazaar Loan:** With a loan size from ₹26,000 to ₹1,50,000, this product is for small entrepreneurs, who have an existing super-saver account with your Bank. This loan provides financial support to deposit customers for their working capital needs.

### Small Business and Agri Loans

1. **Sahayata Loan:** Loan to fund growing business needs of individuals involved in an array of income generation activities. Loan amount is from ₹50,001 to ₹5,00,000.
2. **Suyog Loan:** Loan amount is up to 50 per cent. of the disbursement amount of running Sahayata loan. Sanctioned to help customers fulfil their additional short-term business requirements during their ongoing loan.

### Small Enterprise Loan ('SEL')

In the current economic scenario, India is a country burgeoning with small businesses which are regularly in need of short to medium-term funding to maintain and grow their businesses. The SEL vertical of your Bank empowers these businesses to expand by extending them business loans tailored to suit their needs. As on March 31, 2024, the SEL book stands at ₹5,671.83 crore, with over 1.22 lakh customers.

Your Bank's SEL product is served through more than 1,400 branches pan India, with presence in 29 states and union territories. With the COVID pandemic now firmly behind us, the SEL portfolio is now expected to grow at a much faster rate than in the recent past, thus making it all the more essential for your Bank to offer loans to these firms, and aid them in their pursuit of growth and expansion, in turn contributing to the overall betterment of the economy.

In an endeavor to understand its customers better, your Bank's SEL vertical has constantly taken inputs from borrowers and with the help of these inputs, updated and added to the catalogue of offered products to remain at par with other leading banks in the country.

The following products are presently offered under SEL:

- **SEL Term Loans (₹1.01 lakh to ₹10 lakh)**  
These are term loans with a tenure of one to three years, and they are aimed towards financing working capital or asset creation needs of small businesses or other short-term business requirements. These loans range from ₹1.01 lakh to ₹10 lakh.
- **SEL Max Loans (₹10.01 lakh to ₹25 lakh)**  
This is similar to SEL Term Loans, but it is targeted towards slightly larger enterprises in terms of revenue, which might need loans of value higher than ₹10 lakh. These loans range from ₹10.01 lakh to ₹25 lakh.

- **SEL Cash Credit (₹5 lakh to ₹25 lakh)**  
This is a revolving credit facility, whereby a limit will be set up in the customer's loan account and the customer can avail of whatever amount is required and pay interest only on the utilised amount. The limit is subject to renewal on a yearly basis. These loans range from ₹5 lakh to ₹25 lakh.
- **SEL Secured Overdraft Loans (₹10.01 lakh to ₹25 lakh)**  
This overdraft product has been added to your Bank's SEL product bouquet during FY 2023 with a vision to cater to the MSME borrowers who need working capital in the form of an overdraft and are willing to pledge security for the loan. The range for this product is from ₹10.01 lakh to ₹25 lakh and the overdraft limits are subject to renewal on a yearly basis.

During the FY under review, your Bank has taken the following initiatives:

- Your Bank has taken a new step towards digitising its business channels by upgrading to a new CBS in the FY 2024. This step strengthens your Bank's commitment towards providing a quicker, better and hassle-free banking experience to all segments of its customers.
- Your Bank has taken several initiatives to strengthen the credit assessment process for Group Loans and SBAL, and other loans in order to have a better portfolio. Your Bank has further deployed a separate Loan Sanctioning team to manage the loan sanctioning process for Group Loans.
- Your Bank has also deployed a separate independent Recovery Team to improve recovery collections from delinquent customers where the business team will focus on collections from standard accounts to restrict slippages while the recovery team will have a focused approach to collection from NPA accounts.
- Your Bank has deployed several analytics-driven models to improve both, sourcing and recovery. Some of the key initiatives in this regard are: the identification of good borrowers for a higher ticket loan based on a data-driven renewal base, identification of potential borrowers for graduating to individual loan, categorisation of delinquent borrowers based on their propensity to repay and prioritising collections accordingly, etc.
- Awareness about using digital solutions, like smartphone-based transactions and use of credit/ debit cards for online transactions are still persistent issues to the customers under the Banking Unit vertical. To overcome these challenges, your Bank is giving training to make the customers aware about the benefits of digital payments and various other aspects, such as seeding bank accounts with mobile number and Aadhaar. Your Bank has also taken initiative by informing the customers to pay through online transactions.
- Your Bank has always placed strong emphasis on training and development to upskill and reskill staff to ensure that they stay relevant to the fast-changing world across levels and locations. This includes online and classroom training sessions.



## Wholesale Banking Financial Institution Group (FIG)

Your Bank continuously strives to meet the diverse credit needs across sectors, with a dedicated focus on Institutional Lending catering to Non-Banking Financial Companies ('NBFCs') and Housing Finance Companies ('HFCs') to public financial institutions. In FY 2024-25, your Bank is planning to foray into the financial requirements of Education & Healthcare Institutions through its existing product suite, which includes term loans, working capital limits, cash credit and overdraft facilities. Your Bank also has credit exposure through Direct Assignments and Investment exposure through Pass Through Certificates ('PTCs') and Non-Convertible Debentures ('NCDs'). In the NBFCs segment, your Bank's primary focus is secured financing through housing loan, loan against property, gold loan, business purpose loan, commercial & vehicle financing, etc. While in the NBFC-MFI (Microfinance institutions) segment, the focus is to cater primarily to the priority segment funding.

FIG segment has a diverse portfolio with geographical presence across the country. The Total Advances of the segment stood at ₹12,814.89 crore as on March 31, 2024 as compared to ₹10,386.72 crore as on March 31, 2023, a growth of 23 per cent. during FY 2024.

### Mid-Market Group

Mid-Market Group ('MMG') offers loan products to majorly Small & Medium Enterprises ('SMEs') and large corporate borrowers for meeting their working capital and capital expenditure requirements, including non-fund based facilities. These are generally secured loans extended to businesses involved in manufacturing, trading, services, etc., with acceptable credit ratings. The segment offers both fund-based and non-fund based facilities including term loan, cash credit, overdraft, loan against property, construction/ project finance, lease rental discounting, Letter of Credit ('LoC'), Bank Guarantee ('BG'), etc. While, the Cash Management Services ('CMS') and Trade Finance have already been launched, the implementation of Supply Chain Finance is in process.

The Total Advances of the segment stood at ₹6,700.68 crore as on March 31, 2024 as compared to ₹3,605 crore as on March 31, 2023, a growth of 86 per cent. during FY 2024.

### Commercial – LAP

This segment caters primarily to proprietorships, partnerships and private limited companies for Loans Against Property ('LAP'). This is in line with your Bank's overall objective of increasing the secured lending portfolio. The segment will leverage your Bank's more than 300 branches besides sourcing from the open market, along with a higher level of engagement to meet additional financial requirements of customers. As we move along, your Bank will use technology for better turnaround time which is essential for scaling up the business volume in this space. The segment offers a bouquet of income-linked programmes to cater to most of the sectors in the market.

The Total Advances of the segment stood at ₹515.50 crore as on March 31, 2024 as compared to ₹53.14 crore as on March 31, 2023, a growth of 870 per cent. during FY 2024.

### Business Banking Group

Business Banking Group ('BBG') offers loan products to the needs of Micro, Small and Medium Enterprises ('MSMEs') to meet their working capital or capital expenditure requirements. These are secured loans generally between ₹5 lakh to ₹15 crore extended to businesses involved in manufacturing, trading, and services. The loans are extended in the form of secured credit facilities including term loan, cash credit, overdraft or lease rental discounting or as non-fund-based facilities like letter of credit or bank guarantee. Some of the schematic loan products offered by the segment are as follows:

- **SME Business Connect**

These loans help entrepreneurs in financing their working capital and capital expenditure requirements against primary security of current or fixed assets and collateral security including residential or commercial property or liquid securities. These loans, ranging from ₹10 lakh to ₹5 crore, are provided as fund-based facilities like overdraft, cash credit, or term loan and non-fund-based facilities like letter of credit or bank guarantees.

- **SME GST Connect**

These loans, for financing entrepreneurs' working capital needs, are provided as an overdraft or fund-based facilities. These loans are offered against collateral security, which can be in the form of current assets, property or liquid securities. The loan quantum ranges from ₹25 lakh to ₹3 crore.

- **Bandhan CGTMSE Loan**

Your Bank offers loans to finance the working capital and capital expenditure of Micro and Small Enterprises ('MSEs'). These loans are provided as fund-based and non-fund-based facilities, without any collateral security or third-party guarantee. The loan quantum ranges from ₹5 lakh to ₹5 crore, with credit guarantee of CGTMSE up to a maximum limit of ₹5 crore per borrower. Collateral security for the remaining uncovered portion of the credit facility can be obtained under "Hybrid/ Partial Collateral Security" product, introduced by CGTMSE.

The BBG fund based book was at ₹1,009.65 crore as on March 31, 2024 as against ₹535 crore as on March 31, 2023, registering a growth of about 89 per cent. during FY 2024.

### Agri-business Loans

Providing credit for agricultural activities not only helps increase crop production but also empowers farmers, and supports the backbone of the Indian economy- the agricultural sector. Your Bank recognises the importance of this sector and offers a wide range of credit facilities to provide financial support to all participants in the Agri value-chain system. Currently, the segment provides Kisan Cash Credit ('KCC') loans to borrowers engaged in farming activities, including animal husbandry, horticulture, pisciculture, etc., with competitive interest rates and minimal documentation.

By doing so, your Bank is making it easier for farmers to access credit and invest in their farms to increase productivity.

Currently, the segment is expanding its reach by offering (i) both fund-based and non-fund-based credit facilities to entities involved in agri-ancillary products and services, such as food and agri processors, agri input dealers, etc.; (ii) credit facilities to support development of agricultural infrastructure; (iii) financing to Corporate Agri customers, with a key focus to on-board quality customers, and (iv) commodity finance.

The Total Advances of the segment stood at ₹267.78 crore as on March 31, 2024 as compared to ₹126.52 crore as on March 31, 2023, a growth of 112 per cent. during FY 2024.

### Housing Finance

Your Bank has continued its focus on the long-term strategy for Housing finance. This business has seen a robust growth in the financial year in spite of the challenging macro-economic environment. In addition to the existing business channels, in the financial year, your Bank has introduced a Prime lending channel, which has impacted positively with a higher disbursement and portfolio growth along with a lowered delinquency risk.

During the FY under review, your Bank has expanded its home loan network to over 450 branches offering housing loans and 320 Banking Units offering micro-home loans spread across 18 states and 2 union territories.

With a focus on acquiring quality business and reducing delinquency, your Bank has disbursed ₹7,270 crore during the financial year, representing a growth of 14 per cent., and has been able to reduce its GNPA to 1.6 per cent. from 3.9 per cent. in the previous financial year while growing the portfolio to ₹29,915.65 crore, a growth of around 11 per cent.

Although the Prime channel has been contributing significantly to the overall business, your Bank's focus has still remained its affordable housing business, which is its primary strength. This is indicative by its sanctioning average ticket size of sub ₹20 lakh. During the FY, your Bank continued the special campaign **"Junoon Rahe Barkaraar (JBR)"** for higher ticket loans, offering attractive and competitive rates of interest to customers with good credit history and high credit scores. This campaign has continued to attract better credit-worthy customers.

The introduction of Direct Sales Agent ('**DSA**') in the previous FY has continued to gain traction and has been contributing to overall disbursement. The newly introduced prime channel has also seen steady traction since its introduction during the FY.

Your Bank continues to offer loans at floating rates linked to an External Benchmark Rate ('**EBR**'), which has adopted the repo rate announced by RBI as the EBR rate. Your Bank has continued to offer the existing customers who are not on EBR, an option to convert their loans to EBR linked loans. As per the directive by RBI, your Bank has also provided an option to the customer to choose between "impact to EMI or term or both" based on their eligibility for their benchmark-linked loans at the time of change in benchmark rates during their loan tenure.

### Retail Asset

In order to cater to a broader demography and mitigate risk, your Bank has constantly strived to introduce and reinforce several Retail Asset products throughout the FY 2024. Customers now have access to a range of loan options including Gold Loans, Personal Loans, Two-Wheeler Loans, Car Loans, and Commercial Vehicle & Construction Equipment ('**CVCE**') Loans offered by your Bank.

- **Gold Loan:** Designed to address customers' immediate financial requirements swiftly, our Gold Loan offers a streamlined documentation process, quick processing, and extensive branch coverage. With loan amounts ranging from ₹10,000 to ₹40,00,000 and flexible tenure options up to 3 years, customers benefit from competitive interest rates.
- **Personal Loan:** During the FY 2024, your Bank has constantly recalibrated the personal loan approach and refined the acquisition strategy keeping aligned to the market dynamics. A specialised sales team does the procurement of loans, catering to both existing customers and newcomers to the Bank. Throughout FY 2024, your Bank has been methodically broadening this sector across all distribution channels, encompassing vital markets. Personal loans, featuring competitive interest rates, are available within the range of ₹50,000 to ₹25,00,000, with a maximum tenure of 5 years.
- **Two-Wheeler Loans:** Your Bank has demonstrated remarkable growth, maintaining a consistent trajectory, and has now surpassed a customer base of over 1,00,000 happy customers, with over 90 per cent. of these being new to bank customers. Harnessing its digital prowess, your Bank streamlined the loan approval process, achieving an impressive approval time of just 5 minutes for more than 90 per cent. of applicants. This revamped loan service is tailored to meet diverse customer needs, offering financing upto ₹5,00,000. Moreover, your Bank has adapted the product to meet industry standards, introducing a dealer/ channel-based distribution model to extend its reach across various geographical locations.
- **Car Loan:** The Car Loan product has been meticulously crafted to simplify vehicle ownership and enhance accessibility for all customers. Offering competitive interest rates and adaptable repayment options, its Car Loan extends financial support for the acquisition of both new and pre-owned vehicles. By harnessing our digital capabilities, your Bank streamlines the application process, ensuring a seamless experience with swift approval times, thus enabling customers to realise their dream of owning a car sooner. Your Bank has developed a range of product schemes catering to a diverse array of customer profiles, including salaried individuals, self-employed individuals, and non-individual entities, with loan amounts spanning from ₹1 lakh to ₹1 crore. Leveraging its extensive network of manufacturers and dealers, your Bank is committed to delivering the finest deals to both existing and new customers, ensuring unparalleled value and satisfaction.

- **CVCE Loan:** Road transport is crucial for moving goods and people as it offers complete connectivity and adaptability. Your Bank has introduced Commercial Vehicle Financing for customers to support this sector. It's designed for self-employed individuals and businesses needing loans from ₹1 lakh to ₹15 crore. Your Bank is dedicated to providing exceptional value to its valued customers, using its wide branch network, partnerships with manufacturers, and dealer connections to offer the best deals possible.

### Branch Banking

Your Bank provides an array of retail liability products designed to promptly and effectively cater to diverse banking requirements across various customer segments. Prioritising customer satisfaction, your Bank consistently innovates and offers convenient banking solutions to meet its customers' needs.

During FY 2024, your Bank's deposit portfolio witnessed a robust growth of 25 per cent. with a total deposit base of ₹1,35,202 crore as of March 31, 2024. The growth in deposits was primarily driven by the varied liability products of term, savings and current account deposits with the total retail deposit book (CASA + Retail Term Deposits) growing by 22 per cent.

The Affluent segment, comprising our premier products like Elite & Premium Savings Accounts, has progressively bolstered the Savings product proposition. Concurrently, your Bank has prioritised the Senior Citizen demography, by launching 'Inspire', a programme designed to offer specialised services tailored to their needs. Your Bank aims to scale this up and launch other segment-specific offerings catering to the needs of varied customer category. In order to enhance communication efforts, your Bank has developed product-focused campaigns aimed at informing customers about features, rates, and technology-driven services. During FY 2024, your Bank introduced RuPay Platinum Debit Card, remaining committed to providing customers better card value proposition, features and benefits along with a diverse selection of debit card choices. The entire collection of Debit Cards has garnered a total card fee income amounting to more than ₹70 crore as of March 31, 2024. The card fee income consists of Issuance Fee, Annual Fee and Re-issuance Fee.

The Current Account segment also demonstrated a strong performance during FY 2024, marked by consistent balances and adept financial management. Strategic initiatives including enhanced EDC penetration, CAM Channel development, re-engagement with existing customers via the NEEV project, and intensified focus on new branches have effectively met customer demands, demonstrating resilience in a competitive market landscape. The overall Current Account Book has sustained a commendable growth rate of 51 per cent. as of March 31, 2024.

The Merchant Acquiring Business ('MAB') serves as a crucial factor in drawing current account relationships. MAB is actively enrolling POS/ EDC devices with consistent month-on-month increases and offering Payment Gateway services to merchants across all categories. The MAB business has witnessed substantial growth, with 326 per cent. increase in acquisitions over previous year and

52 per cent. rise in throughput, resulting in the accumulation of balances in associated accounts.

Your Bank's expansive branch network has been instrumental in its achievements. Throughout FY 2024, a total of 289 branches were added, elevating your Bank's overall presence to 1,700 branches, spanning diverse locations nationwide.

To fortify its relationship with customers, your Bank is engaging in communication through marketing campaigns, social media outreach, and branch-level initiatives. Your Bank has also seamlessly transitioned to the latest Core Banking System - Flexcube and rolled out a new Internet Banking platform and mBandhan app, boasting upgraded features.

Your Bank will continue to harness technology to provide innovative digital solutions that prioritise security, convenience, and user-friendliness. Your Bank is dedicated to delivering top-notch banking solutions to the customers and eagerly anticipates serving them with unwavering zeal and commitment in the years ahead.

### Third Party Products

Your Bank currently distributes mutual funds, life insurance and general insurance, including health insurance and 3 in 1 online trading products to its customers. FY 2024 has been a year of transformation and integration. Your Bank continues to demonstrate a continued focus on offering a value-led, robust and comprehensive product proposition to its customers. In the life insurance business, your Bank continues in its quest of offering a wide bouquet of products to cater to different life cycles and life stages of its customers. Your Bank has also been working tirelessly to build a strong distribution ecosystem augmented by analytics and technology to offer the best in class insurance solutions to its customer base. In the General Insurance business, your Bank continued to serve its customers in their quest towards healthy living, by offering them a wide variety of health insurance solution-based product propositions. In mutual funds distribution, your Bank continues to focus on a research-driven distribution strategy with a vision of providing its customers ease and flexibility while planning for investments. This year, your Bank has launched the distribution of Mutual Funds through its Mobile Banking ('mBandhan') platform, which along with the existing distribution available through the Retail Internet Banking ('RIB') platform demonstrated your Bank's continuous efforts towards offering customers further convenience and benefits.

Your Bank continues to invest towards building a customer value-centred, segment-driven, data-led, analytics and research-based, and technology embedded, product distribution propositions, across all Third Party Products and continues to seek out opportunities to add new product suites to serve customers' financial needs holistically.

The total mutual fund AUM managed under your Bank's code during FY under review was ₹1,024.84 crore, on which the Bank earned an income of ₹6.31 crore.

A total of ₹131.55 crore and ₹519.85 crore of general and retail life insurance business, respectively, were garnered through the

retail network during FY 2024, earning a fee income of ₹15.16 crore and ₹214.80 crore, respectively. During FY under review, the life insurance business through all asset verticals amounted to ₹279.59 crore, earning an income of ₹47.10 crore. The insurer wise segmented commission income is as follow: Bajaj Allianz Life Insurance: ₹170.24 crore; HDFC Life Insurance: ₹83.94 crore; Kotak Life Insurance: ₹7.72 crore; Bajaj Allianz General Insurance: ₹4.63 crore; Niva Bupa Health Insurance: ₹7.67 crore; Oriental General Insurance: ₹2.9 crore; and HDFC ERGO General Insurance: ₹-0.05 crore.

Your Bank has also earned ₹0.15 crore as commission for the distribution of Atal Pension Yojana, NPS Lite Swavalamban schemes of PFRDA and others during the FY 2024.

## Corporate Social Responsibility

Your Bank's core commitment to creating inclusive growth is reflected in its Corporate Social Responsibility ('CSR') initiatives, which focus on the empowerment of the marginalised sections of the societies residing in the vicinity of its operational area. The marginalised communities are confronted with multi-dimensional vulnerabilities, at the core of which is the challenge to secure sustained livelihoods. Accordingly, the interventions of your Bank's CSR initiatives are appropriately designed to build their capabilities for securing sustainable livelihoods.

To address its societal commitments, your Bank has adopted a comprehensive CSR policy that outlines the CSR programmes of your Bank, which are in line with Schedule VII to the Companies Act, 2013 (the 'Companies Act'). These programmes are being undertaken in the vicinity of your Bank's operational areas.

For the seamless implementation and monitoring of the CSR programme, your Bank has constituted the Corporate Social Responsibility and Sustainability Committee of the Board ('CSR&SCB'), in accordance with the provisions of Section 135 of the Companies Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ('CSR Rules'). The CSR&SCB also oversees the implementation of the Business Responsibility and Sustainability Reporting ('BRSR') related initiatives of the Bank. The composition of the CSR&SCB is given in the Corporate Governance Report which forms part of this Report.

During the FY under review, your Bank has contributed ₹40.05 crore towards 16 CSR programmes implemented through a Project Implementing Agency ('PIA') and contribution to PMCARES Funds as stipulated in the clauses of Schedule VII to the Companies Act. Bandhan Konnagar ('BK'), PIA for the CSR programmes of the Bank is also a related party of the Bank and CSR spending through BK is approved by Audit Committee of the Board as related party transaction, in addition to CSR&SCB and the Board. These CSR programmes were spread across 273 project locations covering 5,240 villages in 47 districts of 7 states of India. The outreach during the FY under review was 1,33,243 families, thereby taking the cumulative reach since inception to 24,47,456 families.

In terms of the provisions of Rule 8(3) of the CSR Rules, your Bank appointed Ernst and Young LLP ('EY') to carry out an independent Impact Assessment of its CSR Programmes. Further, in terms of the General Circular No. 14/2021 dated August 25, 2021, issued by the Ministry of Corporate Affairs, Government of India, the Impact Assessment Report is available at the Bank's website <https://www.bandhanbank.com/beyond-banking>, and the programme wise summary of the same is mentioned in the subsequent sections.

The details of CSR programmes undertaken pursuant to the provisions of the Companies Act and in accordance with the Annual Action Plan, during the FY under review are given as **Annex – 1** and form part of this Report. The CSR Policy of the Bank is available on your Bank's website: <https://bandhanbank.com/sites/default/files/2023-01/CSR-Policy-210123.pdf>.

Some of the key programmes of your Bank's CSR initiatives are:

### Targeting the Hard-Core Poor Programme

During the FY under review, your Bank has contributed ₹10.90 crore (₹16.50 crore in FY 2023 and ₹27.88 crore in FY 2022) towards Targeting the Hard-Core Poor ('THP') programme. The programme is designed for ultra-poor women-headed households, providing them with a range of gainful micro-enterprises in the form of farm, non-farm and mixed assets, along with handholding support and training on confidence building, enterprise skills, consumer interaction, marketing and financial skills. They are also provided with sustenance allowance to meet their daily needs until they generate substantial income from the provided assets. Within a period of 18-24 months, these ultra-poor women start graduating, uplifting themselves from extreme poverty<sup>1</sup> and getting linked to mainstream society<sup>2</sup>.

During the year under review, 3,000 ultra-poor women were provided farm, non-farm and mixed assets to sustain their livelihoods, thereby cumulatively taking the total women-headed households to be impacted through the programme since its inception to 50,500 women. In the current financial year, the programme covered 9 districts of Assam, Jharkhand, Odisha, Uttar Pradesh and West Bengal.

The Impact Assessment Study carried out by EY indicated that 18,000 ultra-poor women-headed households were alleviated from below the poverty line to above the national poverty line<sup>1</sup> (₹1,059.42 for rural and ₹1,286 for urban areas<sup>1</sup>) with a significant increase in their business assets and household income having an average monthly income of ₹7,200. Additionally, these households had improved savings habits and had access to safe sanitation, social security schemes and health schemes.

### Bandhan Health Programme

During the FY under review, your Bank has contributed ₹7.01 crore (₹12.02 crore in FY 2023 and ₹18.49 crore in FY 2022) towards six health programmes covering 16 districts in 3 states of India. These health programmes covered 52,578 new beneficiaries during

<sup>1</sup> Poverty Line benchmarked according to the Suresh Tendulkar Committee Poverty Lines per capita monthly expenditure, 2011-12, Niti Aayog, Government of India

<sup>2</sup> India SDG Index Score for Goal 1 – No Poverty; Goal 2 – Zero Hunger and SGD 5 – Gender Equality

the FY, thereby taking the cumulative coverage to 13,44,558 households.

The Impact Assessment Study conducted by EY indicated that the programme contributed to achieving 100 per cent. access to health services after the implementation of the programme compared to 78 per cent. respondents who did not have access to health services. The health services included Anti Natal Care ('ANC'), institutional delivery, Post Natal Care ('PNC'), nutritional support and child health evaluation, thereby leading to a change in behavioural practices and 100 per cent. of the respondents noticed an improvement in their health and health-seeking behaviour.

The Impact Assessment Study indicated that 100 per cent. of the adolescent girl respondents have received menstrual health and hygiene awareness and access to menstrual hygiene products.

The study also indicated that 100 per cent. of the respondents received access to safe drinking water.

### Bandhan Education Programme

Your Bank's education programme provides quality education to the children belonging to the marginalised section of society in its catchment area. The education programme enables the children to improve their learning outcomes, especially in Science, Technology, Engineering and Mathematics ('STEM') subjects and increase their retention and classroom engagement. The programme also provides training to the teachers belonging to the communities, government schools and schools run by the various charitable trusts that are providing free education to transform their pedagogy and integrate various teaching and learning tools in their lesson plans and track the comprehensive continuous assessment of each child.

Your Bank contributed ₹9.78 crore (₹15.99 crore in FY 2023 and ₹17.01 crore in FY 2022) towards the education programme enrolling 1,605 new students, thereby taking the cumulative outreach to 1,14,391 marginalised children across 32 districts of five states of India.

The Impact Assessment Study conducted by EY indicated that 100 per cent. of the children received free books and school kits to facilitate their learning. 100 per cent. of the students who completed class 3 were able to identify numbers and alphabets, can read text and perform basic calculations to meet the learning goals of Foundational Literacy and Numeracy<sup>1</sup> ('FLN').

### Skill Development Programme

Your Bank's skill development initiatives provide market-linked and job-ready employable skills to the youths from marginalised sections of society in various domains. This initiative not only provides on-the-job training and job placement facilitation in the organised sector but also a follow-up of the placements so that the youths are settled in their job post-training.

During the FY under review, your Bank contributed ₹4.08 crore (₹3.69 crore in FY 2023 and ₹4.79 crore in FY 2022) towards the skill development initiatives in eight districts of three states of India. The PIAs operated 12 skill development centres in domains like Warehousing and Logistics, Retail and Customer Care, Sales and Marketing, ITeS and BPO, Refrigeration and Air Conditioning, Computer Accounting, Hardware and Networking, BFSI, etc.

During the FY, 3,227 candidates were enrolled, thereby taking the total to 17,114 youths who have been trained under this programme till date, of which 11,090 were placed with net salaries ranging from ₹8,000 to ₹15,000 plus other performance-based allowances and social security benefits like Provident Fund ('PF') and Employee State Insurance ('ESI').

The Impact Assessment Study conducted by EY indicated that 13,707 youths were trained by the end of FY 2023. The study indicated that 85 per cent. of the respondents secured their first job after the completion of the training provided under the Employing the Unemployed Programme ('EUP'). The EUP provided them with job readiness skills, career counselling, job placement assistance and other resources to enhance their employability.

### Bandhan Financial Literacy Programme

Your Bank has been imparting financial literacy to underprivileged women to raise awareness regarding better financial planning and accessing Banking, Financial Services and Insurance ('BFSI') related products and services, including digital banking. Your Bank recognises the fact that imparting financial knowledge is vital to the financial inclusion agenda and to addressing the sustainable development of rural communities.

Through this initiative, your Bank has financially empowered 4,76,872 women in the states of Assam and West Bengal to improve their savings and access Banking services. According to the EY Impact Assessment Report, 100% of the women, after completing the training, feel that they are more confident in taking independent financial decisions and can also do digital banking.

### Bandhan Sustainable Livelihood Programme

Your Bank under its CSR initiatives, has piloted a unique initiative to empower underprivileged entrepreneurs to set up small businesses. These entrepreneurs are imparted with professional business incubation training and facilitation for accessing statutory licenses and business loans. They are also trained in various aspects of marketing, customer relationships, financial planning and management, business development plans, filing of various taxation etc.

Through this initiative, your Bank aims to convert the job-seeking to job-creators. To date, 81 youths have been successfully incubated to independently manage their enterprises and 21 are currently being trained to undertake their enterprises.

<sup>1</sup> Foundational Literacy and Numeracy refers to basic skills in reading, writing, and mathematics. It is the ability to read and understand a basic text, write and perform simple mathematical operations as adopted by Ministry of Education, Government of India.



## Climate Action Programme

The Climate Action Programme focuses on climate change adaptation and carbon sequestration. Major initiatives are water conservation and afforestation, as mentioned below:

### Water Conservation

The water conservation initiative aims at water security and drought-proofing in some of the high moisture-stressed regions of India, thereby providing a safety net to agriculture and livestock-based livelihoods. These initiatives facilitate participatory watershed management by empowering the communities to participate in the planning and implementation of local water resource development. Measures such as building, reviving and maintaining water-harvesting structures, prioritisation and judicious use of water for every community member, crop planning and water-efficient farming, use of drought-resistant varieties, cultivation of high-value crops requiring less water, etc., create a multiplier effect in drought-proofing and climate change adaptation measures and higher income generation.

During the FY under review, 27 water harvesting structures, with a storage capacity of 13,500 kilolitres, in the form of farm ponds, were constructed in the farmers' fields to provide them critical irrigation support.

Cumulatively, the programme has supported the construction of 50 water harvesting structures with a storage capacity of over 1,33,500 kilolitres of water in three states. These structures not only provide drinking water to over 1,500 families but also support participatory irrigation of various crops.

### Afforestation

Your Bank's afforestation initiatives have contributed towards the project of establishing a "Bio-shield" to save the mangroves in the Bharuch district of Gujarat. Mangrove plantation of 67,540 saplings was carried out on 20 Hectares in a stretch of 1 km of coastline along with plantation of other medical plant species and fodder species, sequestering 2,248 tonnes of CO<sub>2</sub> annually. The fodder bank was created to offset the biotic pressure from the mangrove area. The project created 4,629 person-days of employment and benefited 9,123 beneficiaries with additional income-generating avenues from fodder and medicinal plant harvesting.

Additionally, in this FY, the plantation under agroforestry and mangrove plantation reached to 82,238 saplings in West Bengal. Thereby, taking the cumulative plantation to 4,17,525 saplings in 41 districts of 7 states in India.

### Dividend

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR'), the Board of Directors of your Bank has adopted a Dividend Distribution Policy that, *inter-alia*, balances the objectives of appropriately rewarding shareholders and retaining capital to maintain a healthy capital adequacy ratio. In addition to the Dividend Distribution Policy, the dividend payout ratio of your Bank is also guided by

the Circulars on dividend issued by RBI, from time to time. Policies of the Bank are reviewed at least once a year and accordingly, Dividend Distribution Policy of the Bank was reviewed by the Board during the FY, with no changes. The Policy is available on the Bank's website at <https://bandhanbank.com/sites/default/files/2022-09/Dividend-Distribution-Policy.pdf>.

In line with this policy and in recognition of the financial performance during FY 2024, while retaining capital to maintain a healthy capital adequacy ratio to meet growth requirements, your Directors are pleased to recommend a dividend of ₹1.50 per equity share of ₹10 each fully paid-up (15%) for the FY 2024, as was paid for the FY 2023, for approval of the shareholders at the 10<sup>th</sup> Annual General Meeting ('AGM') of the Bank.

Pursuant to the provisions of Income-tax Act, 1961 ('IT Act'), dividends paid or distributed by your Bank shall be taxable in the hands of the shareholders and your Bank shall be required to deduct tax at source ('TDS') at the prescribed rates from the dividend to be paid to Members, subject to the approval of dividend by the shareholders in the ensuing AGM. Further details are available in the notice of the 10<sup>th</sup> AGM of the Bank.

### Transfer to Reserves

In line with the RBI regulations, your Bank has transferred an amount of ₹557.39 crore to the statutory reserve during the financial year ended March 31, 2024.

### Issuance of Equity Shares & Capital Adequacy Ratio

During the FY under review, your Bank has allotted 1,33,268 equity shares of ₹10 each fully paid-up, pursuant to exercise of stock options by the eligible Employees of your Bank, aggregating to ₹13,32,680.

Post allotment of aforesaid equity shares, the issued, subscribed and paid-up equity share capital of your Bank stood at ₹16,10,96,97,480, comprising 1,61,09,69,748 equity shares of ₹10 each fully paid-up as on March 31, 2024.

Your Bank has not issued any equity shares with differential voting rights during the FY under review.

The authorised share capital of your Bank was ₹32,00,00,00,000, comprising 3,20,00,00,000 equity shares of ₹10 each, as on March 31, 2024.

Your Bank's Capital Adequacy Ratio ('CAR'), calculated in line with the RBI Circular on Capital Adequacy Framework, stood at 18.28 per cent. as on March 31, 2024, well above the minimum regulatory requirements, out of which Tier 1 CAR was 17.21 per cent. and Tier 2 CAR was 1.07 per cent.

### Performance and Financial Position of the Subsidiaries, Associates or Joint Venture

Your Bank did not have any subsidiary, associate or joint venture company during the FY 2024. Accordingly, no statement is required to be reported in Form AOC-1.

## Rating of Various Debt Instruments

Details of rating of various debt instruments of the Bank as on March 31, 2024 are as under:

Instruments	Rating	Rating Agency	Amount (₹ in crore)
Term Loan from Banks	[ICRA]AA(Negative)	ICRA	80
Certificate of Deposit	[ICRA]A1+ CRISIL A1+	ICRA CRISIL	6,000 <sup>(1)</sup>
Non-Convertible Debentures <sup>(3)</sup>	[ICRA]AA(Negative) CRISIL AA-/Stable	ICRA CRISIL	1,295 <sup>(2)</sup>

(1) rating of ICRA is for ₹3,000 crore only

(2) rating of ICRA is for ₹75 crore only

(3) transferred from erstwhile Gruh Finance Limited pursuant to the effectiveness of the Scheme of Amalgamation.

## Board of Directors

The composition of the Board of Directors of your Bank ('Board') is governed by the provisions of the Companies Act, the Banking Regulation Act, 1949 (the 'BR Act'), the SEBI LODR, other applicable laws and its Articles of Association. At the end of March 31, 2024, the Board of your Bank had fourteen Directors, out of which nine were Independent Directors, two were Non-Executive Non-Independent Directors i.e. one Nominee each of Bandhan Financial Holdings Limited ('BFHL') and Caladium Investment Pte. Ltd. ('Caladium'), and the Managing Director & CEO, and two Executive Directors.

## Appointments

### Mr. Pankaj Sood (DIN: 05185378)

The Board of Directors of your Bank, at its meeting held on February 09, 2024, on the basis of the recommendation of the Nomination and Remuneration Committee of the Bank ('NRC'), approved the appointment of Mr. Pankaj Sood (DIN: 05185378) as an Additional Non-Executive Non-Independent Director [Nominee of Caladium, Investor of the Bank], with effect from February 12, 2024, subject to Shareholders approval. Accordingly, Shareholders of the Bank, on April 21, 2024, have accorded their approval, via Postal Ballot process, for the appointment of Mr. Sood as the Non-Executive Non-Independent Director (Nominee of Caladium), with effect from February 12, 2024, liable to retire by rotation.

Mr. Sood, aged 49 years, has over 24 years of experience in private equity and M&A transactions in India. Currently, he heads the Private Equity (Direct Investments) business of GIC Singapore in India and Africa. He joined GIC in 2010 and is based in the Mumbai office. Prior to GIC, Mr. Sood was an investment banker in India in Kotak Investment Bank, Ernst & Young and SBI Capital Markets.

He is a post-graduate from the Indian Institute of Management, Calcutta and has a bachelor's degree in Chemical Engineering from the Indian Institute of Technology, Kharagpur.

### Mr. Rajinder Kumar Babbar (DIN: 10540386)

The Board of Directors of the Bank, at its meeting held on March 07, 2024, on the basis of the recommendation of the NRC and as per the approval granted by the RBI, had approved the appointment of Mr. Rajinder Kumar Babbar (DIN: 10540386) as the

Whole-time Director [Category: Additional Director], designated as Executive Director & Chief Business Officer ('ED&CBO') and Key Managerial Personnel of the Bank, for a period of three years, liable to retire by rotation, with effect from March 08, 2024, subject to Shareholders' approval. Accordingly, the Shareholders of the Bank, on April 21, 2024, have accorded their approval, via Postal Ballot process, for appointment of Mr. Babbar as the Whole-time Director, designated as ED & CBO and Key Managerial Personnel, for a period of three years, with effect from March 08, 2024 up to March 07, 2027, liable to retire by rotation.

Mr. Babbar, aged 56 years, has over 35 years of experience across the banking sector in various leadership roles. He is an accomplished senior leader, with vast experience across multiple spheres of banking. He has a proven track record of creating new businesses and propelling existing ones, consistently delivering growth multiples in AUM, market share, and profitability.

During his tenure spanning more than 23 years with HDFC Bank, he has handled various leadership assignments and has successfully led large teams across Transportation and Infrastructure Finance, Rural Banking and Retail Liabilities. He was the Group Head - Transportation, Infrastructure and Tractor Finance Group at HDFC Bank. Prior to that, he was responsible for building and managing the Rural Banking Group for the HDFC Bank covering farmer finance, MSME loans to intermediaries, related retail assets and third party products. Under his leadership, the rural businesses witnessed robust growth, making it one of the best rural franchises in the industry for any bank or financial institution in terms of size and profitability. Prior to joining HDFC Bank Ltd, he has worked with Centurion Bank, Bank of Punjab and Central Bank of India, handling various roles and responsibilities.

He is Bachelor in Science, LLB and LLM Corporate Law & Criminal Law and is currently pursuing PhD from NMIMS, Mumbai. He has also completed a leadership development programme from IIM Ahmedabad.

### Mr. Arun Kumar Singh (DIN: 09498086)

Reserve Bank of India vide its letter dated June 24, 2024, has appointed Mr. Arun Kumar Singh, Chief General Manager (retired), Reserve Bank of India, as an Additional Director on the Board of Bandhan Bank Limited, in exercise of powers conferred to it under Section 36AB of the BR Act, for a period of one year from June 24, 2024 to June 23, 2025 or till further orders, whichever is earlier.

### Mr. Ratan Kumar Kesh (DIN: 10082714)

Mr. Chandra Shekhar Ghosh, MD&CEO of the Bank, vide letter dated April 05, 2024, informed the Board of Directors that he would retire from the services of the Bank as the MD&CEO upon completion of his current tenure on July 09, 2024, which was noted by the Board at its meeting held on April 05, 2024. Accordingly, pursuant to the approval of the RBI and on the basis of the recommendation of the NRC, the Board, at its meeting held on July 06, 2024, has approved the appointment of Mr. Ratan Kumar Kesh, Executive Director & Chief Operating Officer ('ED&COO'), as Interim MD&CEO of the Bank, with effect from July 10, 2024, for a period of three months or till new MD&CEO takes charge,

whichever is earlier, subject to approval of Shareholders at the ensuing AGM of the Bank.

## Re-appointments

### Ms. Divya Krishnan (DIN: 09276201)

In terms of the provisions of Section 152 of the Companies Act, Ms. Divya Krishnan, Non-Executive Non-Independent Director, being longest in office, shall retire at the ensuing AGM and being eligible, offers herself for re-appointment.

The resolution(s) in respect of appointment(s)/ re-appointment(s) of the Directors, as aforesaid, have been included in the Notice convening the 10<sup>th</sup> AGM of the Bank. Brief profiles of these Directors, together with other requisite disclosures/ details, have been annexed to the said Notice. None of the Directors proposed for appointment/ re-appointment, would attain the age of 75 years during the continuation of their tenure on the Board of the Bank.

### Shareholders approved appointments/ re-appointments

During the FY under review, following appointments/ re-appointments were approved by the Shareholders by Postal Ballot process on June 22, 2023, and at the 9<sup>th</sup> AGM of the Bank held on August 18, 2023:

- By way of Postal Ballot approved on June 22, 2023:
  - (i) Appointment of Mr. Ratan Kumar Kesh (DIN: 10082714) as a Director of the Bank.
  - (ii) Appointment of Mr. Ratan Kumar Kesh (DIN: 10082714) as Whole-time Director, designated as Executive Director and Key Managerial Personnel of the Bank, liable to retire by rotation, for a period of three years, effective March 31, 2023.
- At the 9<sup>th</sup> AGM of the Bank held on August 18, 2023:
  - (i) Re-appointment of Ms. Divya Krishnan (DIN: 09276201) as a Non-Executive Non-Independent Director of the Bank (Nominee of BFHL), being longest in office and liable to retire by rotation, retired at the 9<sup>th</sup> AGM of the Bank, and who, being eligible, had offered herself for re-appointment.
  - (ii) Re-appointment of Mr. Suhail Chander (DIN: 06941577) as an Independent Director of the Bank, not liable to retire by rotation, for the second term of five years, effective March 19, 2024.
  - (iii) Re-appointment of Mr. Subrata Dutta Gupta (DIN: 08767943) as an Independent Director of the Bank, not liable to retire by rotation, for the second term of five years, effective March 19, 2024.

## Cessations

### Dr. Holger Dirk Michaelis (DIN: 07205838)

Pursuant to the provisions of Section 10A(2A)(i) of the BR Act read with relevant RBI Circular, total tenure of a Non-Executive Director, continuously or otherwise, on the board of a bank, shall not exceed eight years. Accordingly, tenure of Dr. Holger Dirk Michaelis

(DIN: 07205838), Nominee Director (Nominee of Caladium) on the Board of the Bank expired on the close of business hours on February 11, 2024.

The Board places on record its sincere appreciation for the contributions made by Dr. Holger Dirk Michaelis, during his tenure as Director of the Bank.

### Mr. Chandra Shekhar Ghosh (DIN: 00342477)

Mr. Chandra Shekhar Ghosh, MD&CEO of the Bank, vide letter dated April 05, 2024, informed the Board of Directors that he would retire from the services of the Bank as the MD&CEO upon completion of his current tenure on July 09, 2024, which was noted by the Board at its meeting held on April 05, 2024. Accordingly, Mr. Ghosh retired as the MD&CEO of the Bank at the close of business hours on July 09, 2024.

The Board expressed its deep appreciation and gratitude for the extraordinary contributions that Mr. Chandra Shekhar Ghosh had made as the founder of the Bank. The Board acknowledged that Mr. Ghosh, through his vision, deep dedication and tireless efforts, led the Bank since its inception towards remarkable growth and established it as a respected and trusted universal bank with pan-India presence, providing services in an inclusive and sustainable manner. The Board also affirmed his role in building the Bank's values around business ethics, consumer focus and corporate responsibility towards society at large, which shall continue to guide the Bank in the future.

Necessary disclosures with regard to the above appointments/ re-appointments/ cessations have been made to the Stock Exchanges, the RBI and the Ministry of Corporate Affairs.

## Key Managerial Personnel

During the FY under review, Mr. Rajinder Kumar Babbar was appointed as ED&CBO and Key Managerial Personnel ('KMP') for a period of three years effective March 08, 2024.

Further, Mr. Sunil Samdani, Chief Financial Officer ('CFO') and KMP of the Bank ceased to be associated with the Bank from the close of business hours on October 19, 2023. In the interim, the Board, at its meeting held on October 18, 2023, appointed Mr. Abhijit Ghosh, Head - Finance & Accounts, as the Interim CFO and KMP of the Bank, with effect from October 20, 2023, till the time a new CFO is appointed by the Board.

Mr. Rajeev Mantri was appointed as CFO and KMP of the Bank with effect from February 22, 2024. Accordingly, Mr. Abhijit Ghosh ceased to be the Interim CFO and KMP of the Bank with effect from February 22, 2024.

Accordingly, as on March 31, 2024, Mr. Chandra Shekhar Ghosh, MD & CEO; Mr. Ratan Kumar Kesh, ED&COO; Mr. Rajinder Kumar Babbar, ED&CBO; Mr. Rajeev Mantri, CFO; and Mr. Indranil Banerjee, Company Secretary of the Bank were the KMP of the Bank, as per the provisions of the Companies Act and rules made thereunder. However, post March 31, 2024, Mr. Chandra Shekhar Ghosh ceased to be MD & CEO and KMP of the Bank on the close

of business hours on July 09, 2024, upon completion of his tenure, and Mr. Ratan Kumar Kesh, ED&COO, was appointed as the interim MD&CEO and KMP of the Bank from July 10, 2024 for a period of three months or till the time new MD&CEO joins, whichever is earlier.

### Meetings of the Board and Board Committees

The Board met eighteen times during the FY under review i.e., on May 17, 2023; May 19, 2023; May 26, 2023; June 04, 2023; July 12, 2023; July 14, 2023; September 09, 2023; October 16, 2023; October 18, 2023; November 24, 2023; February 07, 2024; February 09, 2024; February 22, 2024; February 23, 2024; March 07, 2024; March 19, 2024, March 20, 2024 and March 30, 2024. The details of the Board meetings held during the FY, attendance of Directors at the meetings, and other details have been provided separately in the Report on Corporate Governance forming part of this Report, enclosed as **Annex - 4**.

Your Bank currently has the following nine Board Committees:

1. Audit Committee of the Board (ACB);
2. Nomination & Remuneration Committee (NRC);
3. Stakeholders' Relationship Committee of the Board (SRCB);
4. Risk Management Committee of the Board (RMCB);
5. IT Strategy Committee of the Board (ITSCB);
6. Customer Service Committee of the Board (CSCB);
7. Corporate Social Responsibility and Sustainability Committee of the Board (CSR&SCB);
8. Committee of Directors (COD);
9. Special Committee for Monitoring High-Value Frauds (SCMHVF).

The details with respect to the composition, terms of reference, numbers of meetings held, attendance of members, etc., of these Board Committees are provided in the Report on Corporate Governance forming part of this Report.

Additionally, meeting(s) of Independent Directors, without the attendance of non-independent directors and members of management, were also held during the FY under review. The details of such meeting(s) have been provided separately in the Report on Corporate Governance forming part of this Report.

### Declaration from Independent Directors

The Bank has received necessary declarations from all the Independent Directors under Section 149(7) of the Companies Act and Regulation 25(8) of the SEBI LODR that they meet the criteria of independence laid down under Section 149(6) of the Companies Act read with allied Rules, and Regulation 16(1)(b) of the SEBI LODR, respectively. The Board has reviewed the disclosures of independence submitted by the Independent Directors and is of the opinion that the Independent Directors of the Bank fulfil the conditions specified in the Companies Act and the SEBI LODR, and are independent of the management. In the opinion of the

Board, all the Independent Directors possess requisite expertise, experience, integrity and proficiency as required under the applicable laws and policies of the Bank.

### Familiarisation Programmes for Independent Directors

The details of the familiarisation programme(s) for the Independent Directors of the Bank have been provided separately in the Report on Corporate Governance forming part of this Report.

### Board Evaluation

Pursuant to recommendation of the NRC, the Board has framed the 'Performance Evaluation Policy for the Board, Committees, Non-Independent/ Whole-time Directors and Independent Directors' (the '**Board PE Policy**'), in accordance with the relevant provisions of the Companies Act, the SEBI LODR and SEBI Guidance Note on Board Evaluation. In terms of the Board PE Policy, performance evaluation of the Board and its Committees, Chairman and individual Directors are done on various parameters. Parameters for the Board include various aspects, such as, structure, meetings, appointments, agenda, discussions, evaluation of risks, strategy, governance and compliance, conflict of interest, etc.

Parameters for Board Committees include various aspects, such as, meetings, effectiveness, agenda, discussion and dissent, minutes, etc.

Parameters for the Directors include various aspects, such as, knowledge and competency, integrity, functioning, commitment, contribution, attendance, initiative, teamwork, communication, corporate governance, updates, etc., and in case of Independent Directors, additional parameters include fulfilment of the independence criteria and their independence from the management.

The evaluation process has been carried out electronically. The Board of Directors has done the evaluation of Independent Directors, excluding the Independent Director being evaluated. Similarly, Independent Directors have done the evaluation of the Board as a whole, Non-Executive Chairman and Non-Independent Directors, Executive Director and the MD & CEO. The respective Chairmen of Board Committees have done performance evaluation of their respective Committees. Thereafter, the report on performance evaluation of Directors, excluding NRC members, and the Chairman was submitted to the NRC, whereas the report on performance evaluation of the Board as a whole, Board Committees and Directors who were NRC members was submitted to the Board for necessary action. The NRC, after considering the performance evaluation report of Directors, excluding NRC members, made its recommendations to the Board for continuation/ re-appointment of Directors. Thereafter, the Board considered the recommendations of the NRC, and report on the performance evaluation of the NRC members, the Board as a whole and the Board Committees. The Board evaluation has provided some valuable inputs for optimising the roles and responsibilities, quality, quantity and timeliness of flow of information between the Bank's management and the Board.



The Board of Directors of the Bank is satisfied with the outcome of the performance evaluation process. They were of the view that the Directors have been discharging their roles and responsibilities as expected by the Board and as required under the applicable regulatory provisions. The Board continues to be duly constituted representing various expertise, skill sets, knowledge and qualification required for the banking business. There was no observation during the performance evaluation of the previous years; and so is the case with the current year.

### Policy on Appointment of Directors

Appointment of Directors on the Board is guided by the provisions of the BR Act and the guidelines/ circulars issued by the RBI, from time to time, the Companies Act and the SEBI LODR. In view of these provisions, your Bank has adopted a 'Policy on Appointment and Fit & Proper Criteria for Directors'. In terms of this Policy, while appointing directors, the NRC/ Board considers fit and proper criteria, various skill sets, professional knowledge, practical experience, integrity, gender diversity and additionally, status of independence in case of Independent Directors. The details of the same have been included in the Report on Corporate Governance forming part of this Report. The Policy on Appointment and Fit & Proper Criteria for Directors is reviewed on an annual basis and accordingly, the Policy was reviewed by your Board on the recommendations of the NRC during the FY, to align with the regulatory requirements. The Policy is available on the Bank's website at: <https://www.bandhanbank.com/pdfViewerJS/index.html#./sites/default/files/2023-12/Policy-on-Appointment-and-Fit%20-Proper-Criteria-for-Directors-website-131223.pdf>.

### Remuneration Policy

Your Bank has formulated and adopted a comprehensive 'Compensation Policy' for its Directors, Key Managerial Personnel and Employees, in terms of Section 178 of the Companies Act, read with the relevant Rules made thereunder, Regulation 19 of the SEBI LODR and the guidelines/ circulars issued by the RBI, in this regard, from time to time. The details of the same have been included in the Report on Corporate Governance forming part of this Report. The Compensation Policy is reviewed on an annual basis and accordingly, the Policy was reviewed by the Board on the recommendation of the NRC with one addition relating to deferred variable cash pay. The updated Compensation Policy of your Bank is available on your Bank's website at <https://bandhanbank.com/pdfViewerJS/index.html#./sites/default/files/2024-07/Compensation-Policy-20072024.pdf>

### Employees Remuneration

As on March 31, 2024, your Bank had 75,748 employees. The information with regard to the remuneration of directors and employees of the Bank, as required under Section 197(12) of the Companies Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report as **Annex – 2**.

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Companies Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forming part of this report, is available for

inspection during business hours up to the date of the ensuing AGM in terms of Section 136 of the Companies Act and any member interested in obtaining a copy of the same may send request to the Company Secretary.

### Employee Stock Options

Your Bank has instituted Employees Stock Option Scheme ('ESOP'), i.e., Bandhan Bank Employee Stock Option Plan Series 1 ('ESOP Scheme') to enable its employees to participate in your Bank's future growth and financial success. Your Bank provides its employees with a platform for participating in important decision making and instilling long-term commitment towards the future growth of the Bank by way of rewarding them through stock options. ESOP Scheme of your Bank is in compliance with the provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('SEBI SBEBSE') and no change has been made therein during the financial year under review. The ESOP Scheme is administrated by the NRC. In terms of the ESOP Scheme, the Options would vest not earlier than one year and not later than four years from the date of grant as decided by the NRC/ Board. The Options granted shall be equally vested over four years. The exercise period shall be a maximum of five years from the date of the respective vesting of Options. Since your Bank has been allotting fresh equity shares upon exercise of Options, the source of the shares is of primary issuance.

In terms of the Compensation Policy of your Bank and the Shareholders' approved ESOP Scheme, fresh grants have been made during the financial year under review to the eligible employees. Except the MD&CEO, none of the Directors were allotted equity shares under the ESOP Scheme during the financial year under review. The information pertaining to the ESOP Scheme as prescribed under the SEBI SBEBSE is available on the website of your Bank at <https://bandhanbank.com/annual-reports>.

Further, as required under the SEBI SBEBSE, a certificate from the Secretarial Auditor of the Bank certifying that your Bank has implemented the ESOP Scheme in accordance with the applicable provisions of the SEBI SBEBSE and resolution(s) passed by Shareholders, will be made available electronically during the AGM.

### Deposits

Being a banking company, the disclosures required as per Rule 8(5)(v) & (vi) of the Companies (Accounts) Rules, 2014, read with Sections 73 and 74 of the Companies Act, are not applicable to your Bank. The details of the deposits received and accepted by your Bank, as a banking company, are enumerated in the Financial Statement for the FY ended March 31, 2024, and forms part of this Annual Report for FY 2024.

### Compliance and Audit

Your Bank has a Compliance Department ('CD') and an Internal Audit Department ('IAD'), which independently carry out evaluation of the adequacy and effectiveness of internal controls. These departments ensure that operating and business units adhere to the laid down internal processes and procedures as well as to the legal and regulatory/ statutory requirements. For effective discharge of their duties, it is ensured that these



departments are manned by appropriately qualified personnel, have necessary know-how and skill set and also undergo regular in-house and external training.

The Compliance Function is one of the key elements in your Bank's corporate governance structure. The compliance starts from the top, and the Board and the Senior Management play an important role in driving the compliance culture. Your Bank remains committed to adhere to the highest standards of compliance vis-à-vis regulatory prescriptions and internal guidelines. Your Bank has a robust Compliance Policy, outlining the compliance philosophy, and roles and responsibilities of the CD.

The CD assists the Board and Top/ Senior Management in managing the compliance risk of your Bank. The CD ensures that overall business of your Bank is conducted in strict adherence to the guidelines issued by the RBI and other regulators, various statutory provisions, standards and codes prescribed by FEDAI, FIMMDA, etc., by evaluating the products/ processes, guiding business departments on the various regulatory guidelines with a special emphasis on better understanding of the perspective. It closely works with operational risk and internal audit functions and monitors various activities of your Bank with more emphasis on active risk management.

As the focal point of contact with the RBI and other regulatory entities, the CD evaluates the adequacy of internal controls and examines any systemic correction that is required, based on its analysis and interpretation of regulatory guidelines and deviations observed during monitoring and testing. Your Bank has a robust Anti Money Laundering ('AML') framework and tools to manage the AML risk. It periodically apprises Top/ Senior Management, the ACB and the Board on compliance levels, based on the changes in the external regulatory environment. The CD submits the compliance report to the ACB at regular intervals providing the compliance status with the laws/ rules and regulations applicable to your Bank.

The IAD has implemented the Risk Based Audit approach and independently carries out internal and concurrent audit of various functions in your Bank, primarily to assess the effectiveness of internal control in critical systems and processes, and compliance with regulatory guidelines. The IAD also maintains a strong oversight through Off-site Monitoring of various aspects for faster detection and resolution of anomalies, if any, identified. IAD further ensures that independent checks and balances are in place, and that laid down policies and procedures are followed and recommendations for improvements in processes and systems controls are suitably adhered to.

For review of effectiveness of controls, significant audit findings along with corrective and preventive action taken by your Bank are placed before the ACB periodically and directions, if any, given by the ACB are tracked closely for suitable closure in a time bound manner.

To maintain the independence of these departments, the performance evaluation of the Chief Compliance Officer ('CCO') and the Chief Audit Executive ('CAE') is carried out by the ACB.

## Internal Financial Control

Your Bank also engages external firms to carry out independent review of internal controls, processes, reporting, etc. and accordingly recommendations, if any, are made by them to your Bank/ the ACB for improvement.

Considering the internal financial controls of the Bank, and the work performed by the auditors, including the audit of internal financial controls over financial reporting by the auditors and the reviews performed by management under the supervision of the ACB, the Board of Directors is of the opinion that the internal financial controls established and maintained by your Bank are adequate.

## Related Party Transactions

During the FY under review, there were no materially significant transactions with related parties, which could lead to a potential conflict of interest between your Bank and these parties. Prior approval of the ACB is sought for all the related party transactions. Further, prior omnibus approval is also obtained from the ACB for the related party transactions, which are of a repetitive nature as well as for the normal banking transactions which cannot be foreseen. The quarterly updates on the details of transactions with the related parties, are placed before the ACB. The Related Party Transactions that were entered, during the FY under review, were on an arm's length basis and were in the ordinary course of business, pursuant to the approval of the ACB. In terms of the provisions of Regulation 23 of the SEBI LODR, the approval of Shareholders was obtained at 9<sup>th</sup> AGM of the Bank for material related party transactions with the promoter entities, i.e., Bandhan Financial Holdings Limited, Bandhan Financial Services Limited, Financial Inclusion Trust, North East Financial Inclusion Trust and promoter group entity, Bandhan AMC Limited, for the FY 2024 and upto 10<sup>th</sup> AGM of the Bank for banking transactions at arm's length and in the ordinary course of the banking business of the Bank. The proposal for material related party transactions for FY 2025 and upto 11<sup>th</sup> AGM of the Bank is being submitted before the shareholders at 10<sup>th</sup> AGM for their approval.

In terms of the amended definition of Related Party under the SEBI LODR, the promoter and member of the promoter group of the Bank are considered as Related Parties with effect from April 01, 2023. Accordingly, as on March 31, 2024, the following entities forming part of the promoter and promoter group are related parties of the Bank:

- (a) Bandhan Financial Holdings Limited (Promoter)
- (b) Bandhan Financial Services Limited (Promoter)
- (c) Financial Inclusion Trust (Promoter)
- (d) North East Financial Inclusion Trust (Promoter)
- (e) Bandhan Konnagar (Promoter Group)
- (f) Bandhan AMC Limited (Promoter Group)
- (g) Bandhan Mutual Fund Trustee Limited (Promoter Group)
- (h) Bandhan Investment Managers (Mauritius) Limited (Promoter Group)

- (i) Quadra Medical Services Private Limited (Promoter Group)
- (j) Quadra Hospital And Medical Services Private Limited (Promoter Group)
- (k) Gamma Spect- Imaging & Diagnostic Centre Private Limited (Promoter Group)
- (l) Quadramedical Research & Foundation Private Limited (Promoter Group)
- (m) Bandhan Life Insurance Limited (Promoter Group)

There were no Related Party Transactions required to be reported in Form AOC-2. However, necessary disclosure as required under the Accounting Standards (AS 18) read with RBI's Master Direction No.: RBI/DOR/2021-22/83 DOR.ACC.REC.No.45/21.04.018/2021-22 dated August 30, 2021, as may be updated from time to time, has been made in the note no. 18.12 to the Annual Financial Statement for the FY 2024. Your Bank has a Policy on dealing with Related Party Transactions, which is reviewed on annual basis and accordingly, the Policy was reviewed by the Board on the recommendation of the ACB, with no changes. The Policy is available on your Bank's website: <https://bandhanbank.com/sites/default/files/2022-09/Policy-on-Dealing-with-Related-Party-Transactions.pdf>.

### Particulars of Loans, Guarantees or Investments

In terms of the provisions of Section 186(11) of the Companies Act, the provisions of Section 186 of the Companies Act, except sub-section (1) thereof, do not apply to any loan made, any guarantee given, security provided, or any investment made by a banking company in the ordinary course of its business. However, the particulars of investments made by your Bank are disclosed in the Financial Statement for the FY 2024, as per the applicable provisions of the BR Act.

### Whistle Blower Policy/ Vigil Mechanism

Your Bank has adopted the Board approved Vigilance Policy and Whistle Blower Policy, as required under Section 177 of the Companies Act, Regulation 22 of the SEBI LODR and applicable circulars issued by the RBI.

These Policies aim to provide an avenue to raise concerns on Ethical, Legal or Regulatory violations and promptly addressing them while assuring the confidentiality and protection of the Whistle Blower against any form of retaliation. Your Bank is committed to conduct all its business operations and transactions by maintaining highest ethical, moral and legal standards. The complaints/ disclosures under the Scheme covers the areas such as corruption/ malpractices, misuse of office, criminal offences, suspected/ actual fraud, failure to comply with existing rules and regulations, where such acts result in financial loss/ operational risk, loss of reputation, etc., which may be detrimental to the interest of your Bank, its depositors and the public.

Your Bank promotes and makes available at all times, a Clean, Open and Transparent workplace, wherein business transaction, professionalism and productivity are seen as hallmarks of business practice. Your Bank is also committed to conduct all its business

operations and transactions by maintaining highest ethical, moral and legal standards.

Your Bank encourages its employees, all stakeholders and members of general public, who have concerns about suspected misconduct, to come forward and express these concerns without fear of retaliation or unfair treatment. The Whistle Blower Policy provides adequate safeguards against the victimisation of the Directors and employees who avail this mechanism and ensures that the personnel get direct access to the Chairman of the ACB. None of the Bank's personnel has been denied access to the ACB.

The said Policies are available on your Bank's website at <https://bandhanbank.com/pdfViewerJS/index.html#/sites/default/files/2023-12/Whistle-Blower-Policy-141223.pdf> and <https://bandhanbank.com/pdfViewerJS/index.html#/sites/default/files/2023-12/Vigilance-Policy-141223.pdf>.

### Significant and Material Orders passed by Regulators or Courts or Tribunals

During FY 2024, no significant or material orders were passed by any Regulators or Courts or Tribunals against your Bank impacting its going concern status and operations in future. However, during the FY 2024, the RBI, vide its order dated March 04, 2024, in exercise of the powers conferred under Section 47A(l)(c) read with Section 46(4)(i) of the BR Act, had imposed a penalty of ₹29.55 lakh on your Bank, for non-compliance with certain directions contained in the 'Reserve Bank of India (Interest Rate on Deposits) Directions, 2016'. Your Bank has enhanced its review and monitoring mechanism to avoid such incidents in future.

### Statutory Auditors and their Report

In terms of the 'Guidelines for Appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs)' dated April 27, 2021 ('**RBI Guidelines on Auditors**') issued by the RBI, banks shall appoint the Statutory Auditors for a continuous period of three years, subject to the firms satisfying the eligibility norms each year and the approval of the RBI on an annual basis. Further, in terms of the RBI Guidelines on Auditors and your Bank's Policy for Appointment of Statutory Auditors, it is required to appoint two Statutory Auditors. Accordingly, the Members of your Bank, at the 8<sup>th</sup> AGM held on August 10, 2022, had approved the appointment of M/s. Singhi & Co., Chartered Accountants (ICAI Firm Registration No. 302049E), as the Joint Statutory Auditors of your Bank for a period of three years, to hold office from the conclusion of the 8<sup>th</sup> AGM until the conclusion of the 11<sup>th</sup> AGM of your Bank to be held in 2025. M/s. Singhi & Co. is holding the office of Statutory Auditors along with M M Nissim & Co LLP, Chartered Accountants (ICAI Firm Registration No. 107122W/W100672), who will hold office till the conclusion of the 10<sup>th</sup> AGM.

Therefore, your Bank is required to appoint one more audit firm to act as a Joint Statutory Auditor of the Bank in place of retiring auditors, M M Nissim & Co LLP. Accordingly, on the basis of recommendation of the ACB, the Board of Directors has recommended the appointment of M/s. V Sankar Aiyar &

Co., Chartered Accountants (FRN 109208W), as Joint Statutory Auditors of the Bank, for a period of three years to hold office from the conclusion of the 10<sup>th</sup> AGM until the conclusion of the 13<sup>th</sup> AGM of the Bank, for the approval of the shareholders at the ensuing AGM, subject to approval of RBI on an annual basis. Approval of RBI has already been received for appointment of M/s. Singhi & Co., Chartered Accountants (FRN 302049E) and M/s. V Sankar Aiyar & Co., Chartered Accountants (FRN 109208W) as the Joint Statutory Auditors of the Bank for the FY 2024-25 for their third year and first year, respectively.

The Independent Auditor's Report, given by the Joint Statutory Auditors on the financial statement of the Bank for the financial year ended March 31, 2024, forms part of this Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report. Also, no offence of fraud was reported by the Joint Statutory Auditors of your Bank under Section 143(12) of the Companies Act read with Rule 13(3) of the Companies (Audit and Auditors) Rule, 2014.

### Secretarial Auditor and its Report

Pursuant to the provisions of Section 204 of the Companies Act and Regulation 24A(1) of the SEBI LODR, the Board had appointed CS Hansraj Jaria, Practising Company Secretary (FCS No.: 7703, C.P. No.: 19394), as the Secretarial Auditor to conduct Secretarial Audit of the Bank for FY 2023-24. Accordingly, the Secretarial Audit Report for FY 2023-24 is enclosed to this Report as **Annex – 3**. There is no qualification, reservation, adverse remark or disclaimer in the Secretarial Audit Report. Further, no offence of fraud was reported by the Secretarial Auditor of your Bank under Section 143(12) of the Companies Act read with Rule 13(3) of the Companies (Audit and Auditors) Rule, 2014.

### Cost Records

In terms of the provisions of Section 148(1) of the Companies Act read with Rule 3 of the Companies (Cost Records and Audit) Rules, 2014, your Bank is not required to maintain cost records and accordingly, is not required to undergo cost audit.

### Corporate Governance

Corporate Governance is based on the principles of conducting business with integrity, fairness and being transparent in all transactions, making necessary disclosures. Decisions are made in compliance with the laws of the land, with full accountability and responsibility towards the stakeholders, and a commitment to conducting all business in an ethical manner. Your Bank is committed to achieving the highest standards of Corporate Governance and adhering to the Corporate Governance requirements set by the regulators. A separate section on Corporate Governance standards followed by your Bank and the relevant disclosures, as stipulated under the SEBI LODR, the Companies Act and rules made thereunder, forms part of this Report as **Annex – 4**.

A Certificate from CS Anjan Kumar Roy, Practising Company Secretary (FCS No.: 5684/ CP No.: 4557), regarding compliance with the conditions of Corporate Governance, as stipulated in the SEBI LODR, is annexed to the Report on Corporate Governance, which forms part of this Report.

### Annual Return

Pursuant to the provisions of Section 92(3) read with Section 134(3)(a) of the Companies Act, the draft Annual Return of your Bank, in Form No. MGT-7, as on March 31, 2024, is available on your Bank's website at <https://bandhanbank.com/annual-reports>. Further, the final Annual Return of your Bank, as on March 31, 2024, will be available on your Bank's website at the said link, upon filing of the same with the Registrar of Companies under Section 92(4) of the Companies Act.

### Management Discussion & Analysis

The Management Discussion & Analysis Report for the FY 2024, as prescribed under the SEBI LODR, forms part of this Report, and is enclosed as **Annex – 5**.

### Business Responsibility and Sustainability Report

In terms of the provisions of Regulation 34(2)(f) of the SEBI LODR read with SEBI Circular dated July 12, 2023, Business Responsibility and Sustainability Report ('BRSR') of your Bank providing its performance against the nine principles of the 'National Guidelines on Responsible Business Conduct, 2019' ('NGRBCs'), formulated by Ministry of Corporate Affairs, Government of India, forms part of this Report and, is enclosed as **Annex – 6**.

### Integrated Reporting

Your Bank has been disclosing its ESG performance through an independent Integrated Report following the Internal Framework set by the International Integrated Reporting Council, which shall be hosted separately on the website of your Bank and can be accessed at <https://bandhanbank.com/annual-reports>. The report provides information including financial and non-financial parameters, which would enable the members to make well-informed decisions and have a better understanding of your Bank's performance. It also deals with various aspects such as organisational strategy, governance framework, performance and prospects of value creation, based on the six forms of capital, viz., financial capital, manufactured capital, intellectual capital, human capital, social and relationship capital, and natural capital.

### Compliance with Secretarial Standards

The Board of Directors affirms that your Bank has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India, viz., **SS-1** relating to Meetings of the Board and its Committees; and **SS-2** relating to General Meetings.

### Information under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Bank has adopted zero tolerance towards any action on the part of any of its employees, which may fall under the ambit of 'sexual harassment' at workplace and is fully committed to uphold and maintain the dignity of every woman constituent associated with your Bank. It takes all necessary measures to ensure a harassment free workplace and has instituted an Internal Committee for redressal of complaints and to prevent/ prohibit sexual harassment, in compliance with the guidelines enumerated in the Sexual Harassment of Women at Workplace (Prevention,

Prohibition and Redressal) Act, 2013. At the beginning of the FY under review, three complaints were pending, which were resolved during the FY. Further, nineteen complaints were received during the FY, out of which fifteen complaints had been closed during the FY. Four complaints were pending at the end of the FY which have since been closed.

### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

In our endeavour to achieve aggressive goals to reduce carbon footprints, the conservation of energy has been integrated with the vision of the organisation and its operations. Your Bank has made it mandatory to use BEE Standard Energy Efficient equipment and promote Energy Efficient Building Design in line with Energy Conservation Building Code ('ECBC') in the upcoming projects. Some of the steps undertaken by your Bank towards conservation of energy are as under:

- Smart building systems including use of Energy-efficient glass facades to reduce energy consumption and increase sustainability to achieve the highest level of efficiency;
- At banking outlets, the focus is on insulation on walls and roof, optimum window wall ratio, premises shape and orientation, and re-engineering and retrofit of equipment;
- Tracking of energy consumptions at all levels and comparing with the best international benchmarks;
- Incorporation of smart meters for energy use monitoring and engagement with key stakeholders, at regular intervals, to drive energy conservation in the organisation culture;
- Inclusion of the latest technologies in air-conditioning and inductive equipment in terms of variable drives and improved IKW (Consumption per Ton) in HVAC;
- **Lighting:** Incorporation of 100 per cent. LED for lighting, daylight harvesting, timed illumination of signage through central monitoring system. Natural daylight utilisation is encouraged in your Bank premises;
- **Daily operations and usage:** Conservation through basic hygiene practices on energy usage through occupancy sensors, zoning of electrical circuits and master switches for premises. In the recent past, your Bank has put up three mega Currency Chests with five star energy ratings;
- **Water Conservation:** Ground water recharge facilities through rain water harvesting in upcoming projects, volume flow controls at each sink point, water recycling through STPs.

The details on the Information Technology used by your Bank in its operations have been provided under the section on 'Information Technology at the Bank' in this Report.

The foreign exchange loss of your Bank was ₹33.06 crore {including the net gains/ losses arising in all exchanges/ derivatives

transactions} whereas the foreign exchange outgo was ₹9.20 crore during the Financial Year 2024.

### Human Resource Management

Your Bank acknowledges the vital importance of human capital and aligns its practices with industry best standards. The combination of young and experienced employees fosters innovation and stability. Regular HR policy reviews ensure continued relevance in a constantly evolving environment. Additionally, transitioning processes to digital platforms have enhanced user experience, streamlined operations, and boosted employee productivity.

Your Bank's network has expanded by 4.9 per cent., now totalling 6,297 banking outlets. This growth signifies increased accessibility and outreach to customers. The establishment of 42 retail asset centres reflects a strategic focus on retail banking, addressing consumer loans, mortgages, and other retail financial services.

To support this expansion, your Bank has quadrupled its workforce since inception, underscoring its commitment to superior service delivery and operational excellence.

Your Bank has achieved several significant milestones in creating a workplace that prioritises a human-centric approach:

- Contributing to a positive work environment and long-term organisational success, your Bank has promoted 8,709 employees through a competency-based grade promotion process.
- In alignment with your Bank's Succession Planning Policy, most leadership positions arising from your Bank's growth and expansion were filled through internal role elevations.
- Digitisation has been a core strategy for your Bank, with digital solutions integrated into major HR processes, including an Employee Productivity Dashboard and goal-setting during onboarding.
- Your Bank is committed to fostering a transparent work culture, establishing goals and Key Result Areas (KRAs) during onboarding. This approach provides employees with clear metrics and performance indices, ensuring they understand how to positively impact both the Bank and their own development journey. By integrating the Performance Appraisal process into the HRMS, your Bank aims to provide all employees with clear insights into their performance, assessments, and competencies.
- To promote employee well-being and work-life balance, your Bank has increased the total leave balance by 20 per cent. and introduced Paternity Leave. Numerous sessions with eminent doctors were organised to guide employees towards a healthy lifestyle. A Medical Extension Plan has also been introduced to address outpatient treatment for employees.
- Your Bank undertakes campus recruitment to contribute to the growth and development of young professionals entering the workforce and creating a talent pipeline for the upcoming years. It visited 95 premier institutes and selected 680 young talents.



These initiatives highlight your Bank's commitment to fostering a supportive and progressive workplace environment.

### Employees' Learning and Development ('L&D'):

For the FY 2024, your Bank has taken a leap in building the Learning and Development proposition for the employees, aligning with its strategy for growth across new business, skilling and reskilling of existing employees to support continuous expansion and growth. Your Bank has developed programmes to equip employees with the necessary skillset, mindset and knowledge to enable them to meet the challenges of a rapidly changing banking industry.

This year, your Bank has focused on building employee competencies and on the key strategic imperatives by creating engaging learning initiatives. Thematic programmes to improve Employee Productivity, strengthening risk & compliance culture, and Digital Skill building were done in this FY.

Key L&D Metrics to drive learning & development initiatives in your Bank during the FY under review are enumerated below:

- 1.13 million learning hours achieved during this FY, a growth of 84 per cent. from the last FY
- Per employee learning hours grew by 66 per cent. to 50.9 hours of training per employee in this FY
- During FY 2024, 99 per cent. employees participated in at least one training programme
- Digital learning penetration among employees doubled in FY 2024. Logins on the Learning Management System (Bandhan Edge) reached to 8,40,310 by March 2024, a whopping 277 per cent. increase from previous FY.

Special Initiatives were taken during the FY 2024 to augment the regular training strategies aimed at skill development for the employees:

- Productivity improvement programmes were launched for new businesses like Affluent channel, government business, Current Account and other business units
- Multi-faceted training interventions covering Classroom trainings, E-Learning courses, Quizzes, Contests, etc., were offered for building operational excellence across business functions. Programs on customer service, First Time Right for Account Opening process and Credit Management were done for the employees
- Management Development Programs to upskill role-elevated employees and Leadership Development Programs for senior management were conducted to hone managerial and leadership skills as per the L&D strategy of your Bank
- "Grow with Bandhan" - a new initiative was launched for all employees to self-nominate themselves for continuous learning. These were specially curated bite-sized trainings to enhance skill, behaviour, attitude, and mindset for personal and professional growth

- "RISE" - A culture building programme was launched as a part of organisational development strategy emphasising areas of Professionalism, Collaboration, Transparency and Speed
- Multiple learning measures were implemented to improve the compliance culture in the Bank. Mandatory training modules on POSH, Information Security, KYC-AML/ CFT were used to train majority of the employees.

### Risk Management

Your Bank has an independent and robust risk management framework which effectively addresses both financial and non-financial risks. Risk Management at your Bank includes risk identification, risk assessment, risk measurement and risk mitigation which stands at its core to create maximum value for shareholders, clients, employees, and communities. Your Bank has policies and procedures to systematically measure, assess, monitor, and manage risks across all its portfolios.

Your Bank is committed to creating an environment of risk awareness at all levels. Your Bank's view on risk is dynamic and it aims at constantly upgrading controls and security measures, including cyber security measures, to avoid or mitigate various risks. The ability to manage risk is strongly supported by a strong risk conduct and risk awareness culture.

Your Bank has an independent Risk Governance Structure, which is in line with international best practices, that has been put in place to separate duties and ensure the independence of Risk Measurement, Monitoring and Control functions. This framework visualises the empowerment of Business Units at the operating level, with technology being the key driver, enabling the identification and management of risk at the place of origination.

### Risk Appetite

To address the various risks that your Bank faces in its business, it has established a risk appetite framework which defines the levels and types of risk that are acceptable, within risk capacity, in order to achieve strategic objectives and business plans. Furthermore, risk-specific policies, limits and triggers are implemented to operationalise the appetites for individual risk types.

The risk appetite framework is approved on an annual basis and is a pre-cursor to the strategy of your Bank. A comprehensive dashboard that shows all the risks that your Bank carries at any given time is provided by the Risk Profile, which is a component of the Risk Appetite Framework. It links goals and priorities to risk management in a way that empowers employees to serve customers well and meet financial targets. Your Bank has an annual risk appetite and a long-term risk appetite which is in line with it's near and the long-term goals.

### Risk Culture

Risk culture is a set of norms, and behaviours related to awareness, management, and controls of risks. In your Bank, risk culture is at the centre of both the risk management framework and risk management practice. The desired risk culture behaviours are aligned to your Bank's core values thus forming an effective basis for risk culture since these are used for performance management, recruitment, and development.

The Board and Senior Management sets the “tone at the top” and has a trickle-down effect on all employees. Thus, it supports a strong culture, which is defined by your Bank’s expectations, thereby guiding how employees conduct themselves, work with colleagues, and make decisions. Your Bank has a well-defined Whistle Blower Policy in place.

As part of its awareness campaigns, your Bank circulates and promotes information security awareness contents and materials through several mediums (SMS, Email, Screensaver, Circular, etc.) to cover the Board members, employees, customers, and vendors of the Bank. Your Bank educates staff on risk management through periodic newsletters, circulars, floor-level awareness seminars, workshops, and innovative desktop screensavers.

### Stress Testing

Your Bank recognises the importance of stress testing as an integral risk management tool. Your Bank’s Stress testing includes Scenario testing, which examines the impact of a hypothetical future state to define changes in risk factors as also Sensitivity testing, which examines the impact of an incremental change to one or more risk factors. In addition to standard stress scenarios, your Bank conducts stress testing based on various themes driven by climate, macroeconomic, etc. Your Bank carries out reverse stress testing, in order to identify circumstances that may lead to specific, defined outcomes.

### Internal Capital Adequacy Assessment Process (‘ICAAP’)

Your Bank conducts a comprehensive Internal Capital Adequacy Assessment Process (‘ICAAP’) exercise on a yearly basis with respect to the adequacy of Capital under normal and stressed conditions. The examination of capital requirements under normal economic and adverse market conditions enables your Bank to determine whether its projected business performance meets internal and regulatory capital requirements. The assessment is to identify, assess, and manage all risks that could potentially have a significant negative impact on its business, financial position, or capital adequacy.

The ICAAP comprises of a point-in-time assessment of exposures and risks at the end of the financial year, along with a forward-looking stress capital assessment. Your Bank also conducts back-testing assessments as part of ICAAP process to assess its stress scenarios.

### Risk Management Framework

Your Bank’s Risk Management Framework sets forth the core principles on how it seeks to manage and govern the risk. Your Bank’s comprehensive risk management is overseen by its Board of Directors who has the overall responsibility for your Bank’s Risk Management, including culture and governance framework. The Risk Management Committee of the Board (‘RMCB’) assists the Board in discharging these responsibilities effectively. The RMCB annually reviews and approves the risk management framework. The RMCB plays a crucial role in guiding the development of policies, procedures, and systems, and continuously evaluates their suitability and relevance to the evolving business landscape. The RMCB also oversees the Risk Management Department

(‘RMD’) and the Chief Risk Officer (‘CRO’) reports functionally to the RMCB. The CRO has one-on-one meetings with the RMCB Committee members during the RMCB meeting in the absence of the Whole-time Directors including MD&CEO.

### Major Risks

Your Bank’s risk management approach is to ensure that major risks and emerging risks, as they evolve, are identified, managed, and incorporated into its existing risk management assessment, measurement, monitoring and escalation processes. By adhering to these protocols, management can be sure that they will be planning as they grow the business and fulfil their ongoing responsibilities for risk supervision. The Board and senior management discuss top and emerging risks on a regular basis.

### Asset/ Liability Management (ALM)

Asset/ Liability Management involves evaluating, monitoring, and managing interest rate risk, market risk, liquidity, and funding. Your Bank has a well-defined Asset Liability Management policy that outlines the framework for liquidity and interest rate risk management. As a part of assurance towards sound Risk Management practices, your Bank regularly reviews its Internal Policies to adapt to changes in market conditions.

Your Bank’s Asset Liability Management Committee (‘ALCO’) monitors and manages Liquidity and Interest Rate risks. Your Bank actively assesses ALM Risk, which involves evaluating, monitoring, and managing interest rate risk, market risk, liquidity, and funding, which potentially can have a significant earnings impact. Your Bank has implemented a robust mechanism to monitor critical ratios and has always maintained healthy Liquidity ratios; Liquidity Coverage Ratio (‘LCR’), much above the regulatory minimum LCR requirement by having significant High Quality Liquid Assets (‘HQLA’) as also the Net Stable Funding Ratio (‘NSFR’), which is measured as the proportion of long-term assets that are funded by stable sources.

### Climate-related Financial Risks

Your Bank has incorporated climate risk in its risk management framework. Your Bank has incorporated provision in its Credit Policy to support green financing and considering proposals from such segments to encourage green financing. As part of the stress testing policy, scenarios related to climate risk have been incorporated.

### Credit Risk

Your Bank defines credit risk as the risk of loss associated with a borrower or counterparty default (failure to meet obligations with agreed upon terms). Your Bank has established robust credit appraisal and risk management frameworks for identifying, measuring, monitoring, and controlling the risks in credit exposures.

Your Bank balances the risk and return by setting certain objectives, e.g., ensuring credit quality is not compromised for growth; mitigating credit risk in transactions, relationships and portfolios; using its credit risk rating and scoring systems or other approved credit risk assessment or rating methodologies, policies and tools; appropriate pricing based on credit risk taken; systems

and controls for detecting and preventing inappropriate credit risk; applying consistent credit risk exposure measurements; ongoing credit risk monitoring and administration; and avoiding activities that are inconsistent with its values, code of conduct or policies. Your Bank undertakes studies to identify trends in the movement of NPAs, etc., to keep track of the asset quality.

### Information Security and Cyber Risks

Cyber security in banks has gained paramount importance as banks have IT platforms in the name of digitisation, competition from peers, customer experience, reduction of transaction cost, etc. Across banks in India, large amounts of confidential data reside in bank's Data Centres and flows through bank's servers and various networks and devices. To protect the IT systems, confidential data of your Bank as well as customers, either in rest or in motion, and to ensure continuity of business, your Bank has policies and frameworks in place for Information security and Cyber risks.

Banks are exposed and susceptible to various types of cybercrime. Cyber-attacks have become more sophisticated and organised and they are continuously carrying attacks in volume, frequency, and severity. Malware perpetrators are inventing and inflicting various types of malware attacks. Distributed Denial of Service ('DDOS') activity is ever-increasing and evolving as they are using Internet of Things ('IOT') devices as platform to conduct such attacks. Your Bank has not experienced any material loss relating to these or other types of cyber-attacks.

Cybersecurity risk is a priority for your Bank, and it continues to develop and enhance its controls, processes, and systems in order to protect its networks, computers, software, and data from attack, damage, or unauthorised access. Your Bank has its own independent 24x7 C-SOC (Cyber Security Operations Centre) for a state-of-art centralised and consolidated cybersecurity incident prevention, security event monitoring, detection, and response which is backed by data and tools for sound analytics. Your Bank is also ISO 27001:2013 certified, for its information security management. Your Bank is also proactively involved in industry cybersecurity efforts and working with other parties, including its third-party service providers and governmental agencies, to continue to enhance defences and improve resiliency to cybersecurity threats.

### Operational Risk

Your Bank actively manages the Operational risk, which is the risk resulting from inadequate or failed internal processes, people and systems, or external events. Your Bank has a Board approved Operational Risk Management Policy, which outlines the governance structure and processes for managing operational risk. Your Bank has also put in place robust Fraud Risk, Outsourcing Risk and Legal Risk Frameworks within its Operational Risk Management.

### Business Resilience

Your Bank is committed to provide uninterrupted service to customers. As such, it is essential to protect the critical infrastructure in your Bank from natural and manmade disasters/events and ensure business continuity of the various operational

units. Your Bank has a Business Continuity Management policy in place with the objective to recover critical activities and systems within defined timelines; safety of people and its assets; to communicate with stakeholders during emergency; to manage reputation risk, etc. Business continuity risks are reviewed and regular updates are given Operational Risk Management Committee ('ORMC') and RMCB.

### Outsourcing Risk

Outsourcing risk refers to potential losses from relying on third-party service providers for delivering banking operations for your Bank, which would be undertaken by it in future, with risk factors including service failures, data breaches, regulatory non-compliance, and lack of control. Your Bank identifies these risks by evaluating outsourced functions and vendor reliability at the time of empanelment by assessing risk through due diligence and compliance reviews, and monitoring performance via regular reviews and audits. Your Bank has implemented a well-defined Risk evaluation and management framework that comprehensively deals with the processes and responsibilities for identification, measurement, mitigation, management, and reporting of risks associated with Outsourcing.

### Market Risk

Your Bank's market risk management consists of identifying and measuring risks, control measures, monitoring, and reporting systems. Your Bank actively manages Market risk, which is the risk of possible economic loss from adverse changes in market risk factors, such as, interest rates, credit spreads, foreign exchange rates, equity and commodity prices, and the risk of possible loss due to counterparty exposure. This applies to implied volatility risk, basis risk, and market liquidity risk. Value at Risk (VaR) is a tool for monitoring risk in your Bank's trading portfolio and is used for estimating the potential loss from adverse movements in the financial markets.

### Regulatory Risk

Your Bank recognises the utmost importance of regulatory risk. It closely monitors changes in the regulatory landscape and assesses how new regulations might affect its business and strategy. In order to take proactive steps to spot new sectors, your Bank regularly examines the regulatory environment.

### Reputational Risk

Your Bank's reputation is rooted in the perception of its stakeholders, and the trust and loyalty they place in it is core to its purpose as a financial services organisation. Any adverse stakeholder and public perception about your Bank may negatively impact its ability to attract and retain customers and may expose it to litigation and regulatory actions. In today's world where communication is a key, your Bank maintains regular communication with its stakeholders through appropriate engagement mechanisms to address their expectations and address any concerns they may have.

The Reputational Risk Management Framework of your Bank is made up of interconnected characteristics that could have an impact on different stakeholders. Your Bank is also measuring and tracking the idiosyncratic risks related to stock price movement,

as also social as well as traditional media sentiments, complaints, regulatory action, etc., on a periodic basis.

### Strategic & Business Risk

Your Bank is monitoring the Strategic Risk by tracking its competitive environment as well as any emerging risks, which may derail the overall Strategic pursuit so that suitable risk mitigation measures are timely taken. As part of strategic risk assessments, your Bank conducts mid-year assessment to review the Business strategy on A/E (Actual vs. Estimated) basis and assessments are presented to RMCB. Your Bank has a robust Business Risk Management Framework in place, which involves monitoring actionable metrics, including various financial indicators, as well as your Bank's competitive position in the industry.

### Information Technology at the Bank

The growth trajectory of your Bank has been significantly shaped by the influence of Information Technology. Recognising its paramount importance, your Bank has embarked on a transformative journey aimed at leveraging cutting-edge technology as a key differentiator in the rapidly evolving competitive financial services sector. Notable initiatives undertaken during the financial year 2024 include the implementation of robust cybersecurity measures and the adoption of innovative digital banking solutions, thereby enhancing both customer experience and operational efficiency. Your Bank has also completely migrated from vendor managed infrastructure to self-managed infrastructure with better control and oversight. Few accomplishments during the FY 2024 are mentioned below:

- IT transformation completed successfully, led by implementation of Oracle FlexCube as new Core Banking System ('CBS') and completely new Digital Banking platforms. Following critical enterprise applications successfully implemented under the purview of the transformation journey:
  - i. Core Banking System (CBS)
  - ii. Treasury
  - iii. Loan Origination System (LOS)
  - iv. Retail Internet Banking (RIB) and Mobile Banking (MB)
  - v. Corporate Internet Banking (CIB)
  - vi. Debit Card Management System (DCMS)
  - vii. Third Party Products (TPP)
  - viii. Document Management System (DMS)
  - ix. Cash Management Services (CMS)
  - x. Enterprise Data Lake (EDL) to cater to various MIS and Regulatory reports
  - xi. eGL ERP
  - xii. Digital Account Opening (Self-assisted)

- Below are the key projects completed post migration during FY 2024:

- i. Credit Card implementation for Bank (currently in CUG)
- ii. Digital solution of loan process for entire Personal Loan and Small Enterprise Loan (Digi-PL & Digi-SEL)
- iii. Bharat QR (BQR) Acquiring

Your Bank has taken the following initiatives on IT Infrastructure as a part of the transformation journey:

- Your Bank has completely migrated its IT infrastructure from hosting model to Bank owned on-prem IT hardware.
- IT Infrastructure capacity has been reviewed and enhanced to address the business growth.
- Your Bank has deployed on-prem Intrusion Prevention System (IPS) to enhance perimeter security.
- Your Bank has upgraded the Network Core and Middle-tier Firewall for enhanced security and faster expansion of business.
- Credit Card Infrastructure is set up on Hybrid Model (Cloud & On-prem).

### Material Changes and Commitment Affecting Financial Position of the Bank

There were no material changes and commitments, affecting the financial position of your Bank, which have occurred between the end of the Financial Year of the Bank, i.e., March 31, 2024, to which the financial statement relate, and the date of this Board's Report.

### Change in the nature of business

During the financial year 2024, there has been no change in the nature of business of your Bank.

### Directors' Responsibility Statement

Pursuant to the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, the Board of Directors hereby confirms that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii. We have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the Bank's state of affairs as on March 31, 2024, and of its profit for the FY ended on that date;
- iii. We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities;



- iv. We have prepared the annual accounts on a going concern basis;
- v. We have laid down internal financial controls to be followed by the Bank and that such internal financial controls are adequate and are operating effectively; and
- vi. We have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### Acknowledgements and Appreciations

The Board of Directors of your Bank extends its gratitude for the invaluable support and guidance received from the Reserve Bank of India, other government and regulatory authorities, and financial institutions. The Board also thanks the correspondent banks for their cooperation and help. The Board acknowledges the support of its shareholders, and also places on record its sincere thanks to its valued clients and customers for their patronage.

The Board also expresses its deep sense of appreciation to all the employees for displaying their strong work ethics, excellence at work, professionalism, teamwork, commitment and initiative, which has led to the Bank making good progress. Your Board will continue to strive for improvements as your Bank continues on its journey towards achieving its objectives.

For and on behalf of the Board of Directors

**Bandhan Bank Limited**

**Anup Kumar Sinha**

Non-Executive (Independent) Chairman  
(DIN: 08249893)

Place: Kolkata

Date: July 26, 2024

## Annual Report on Corporate Social Responsibility ('CSR') activities for the financial year ended March 31, 2024

### 1. A Brief Outline on CSR Policy:

**Approach** – Bandhan Bank Limited (the '**Bank**') has framed its Corporate Social Responsibility ('**CSR**') Policy in accordance with the provisions of Section 135 of the Companies Act, 2013 (the '**Companies Act**'), read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Policy of the Bank has a strong commitment to contribute to social and environmental growth and prosperity and is pivotal to its business sustainability.

**Purpose** – The purpose of the Bank's CSR philosophy is to develop the community in which the Bank operates and make a sustainable improvement in the lives of economically, physically and socially challenged people living at the lower end of society and initiate or support programmes that are aimed at creating conditions for better livelihoods in these communities. The Bank shall also support measures that are aimed at preserving and enhancing the environment and natural resources. The CSR policy shall act as a mechanism for regulating the CSR activities of the Bank and adhere to laws and regulations in force and adopt best practices.

**Vision** – Aligned with the vision of the Bank, the CSR initiatives of the Bank shall continue to enhance value creation, improve the quality of life and inclusion of those who are not adequately and effectively serviced by the formal financial sector into the mainstream of the society and draw them into the cycle of growth by providing products and services and forming partnerships and alliances for the fulfilment of its role in the society as a responsible corporate.

**CSR Programmes** – The focus area of the CSR programmes of the Bank shall be the local areas served by the Bank and based on the prioritised needs of the local communities. The Bank may undertake any or all of the activities in the subject or the areas as mentioned in Schedule VII to the Companies Act, including the following:

- a. **Healthcare:** Preventive Health, Nutrition and Food Security, Sanitation and Safe Drinking Water
- b. **Education:** Financial and Digital Literacy, Skill Development and Sustainable Livelihoods for underprivileged children, women, youths and persons with disabilities
- c. **Reducing Inequalities and Promoting Gender Equality:** Women empowerment, empowering persons with disabilities and such measures that reduce inequalities faced by socially and economically backward groups
- d. **Environment Protection:** Natural Resource Management and conservation, and Climate Change mitigation and adaptations
- e. **Rural Area and Slum Area Development:** Improving infrastructure and living conditions, and sustainable agriculture.
- f. **Disaster Management and Relief Operations**

### 2. Composition of Corporate Social Responsibility and Sustainability Committee of the Board (CSR&SCB):

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of the CSR&SCB held during the year	Number of meetings of CSR&SCB attended during the year
1	Mr. Subrata Dutta Gupta	Chairman, Independent Director	4	3
2	Mr. Chandra Shekhar Ghosh	Member, former Managing Director & CEO	4	4
3	Dr. Aparajita Mitra*	Member, Independent Director	4	4
4	Mr. Vijay N Bhatt	Member, Independent Director	4	4

\*Appointed as a member of the CSR&SCB, effective May 17, 2023

### 3. Web link where the Composition of the CSR&SCB, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Bank:

Sl. No.	Details of CSR	Web-link
1	Composition of CSR&SCB	<a href="https://www.bandhanbank.com/corporate-governance#rctabone">https://www.bandhanbank.com/corporate-governance#rctabone</a> _
2	CSR Policy	<a href="https://bandhanbank.com/sites/default/files/2023-01/CSR-Policy-210123.pdf">https://bandhanbank.com/sites/default/files/2023-01/CSR-Policy-210123.pdf</a>
3	CSR Projects	<a href="https://www.bandhanbank.com/beyond-banking">https://www.bandhanbank.com/beyond-banking</a> _

**4. Executive Summary along with web-link of the Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:**

The executive summary of the CSR programme Impact Assessment is provided in the Board's Report. The detailed Impact Assessment Report is available at the Bank's website <https://www.bandhanbank.com/beyond-banking>.

**5. CSR Obligation of the Bank for the financial year 2023-24 as per Section 135(5) of the Companies Act:**

Sl. No.	Particulars	Amount (in ₹)
A	Average net profit of the Bank as per sub-section (5) of Section 135	19,90,08,73,959
B	Two per cent of the average net profit of the Bank as per sub-section (5) of Section 135	39,80,17,479
C	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years	24,88,798
D	Amount required to be set off for the financial year, if any	0
E	Total CSR obligation for the financial year [(B)+(C)-(D)]	40,05,06,277

**6. Total amount spent on CSR projects for the financial year 2023-24**

Sl. No.	Particulars	Amount (in ₹)
A	Amount spent on CSR Projects (both Ongoing Projects and other than Ongoing Projects)	40,05,06,277
B	Amount spent on Administrative Overheads	0
C	Amount spent on Impact Assessment, if applicable	0
D	Total amount spent for the financial year [(A)+(B)+(C)]	40,05,06,277

E. CSR amount spent or unspent for the Financial Year 2023-24

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)					
	Total Amount transferred to Unspent CSR Account as per Section 135(6)			The amount transferred to any fund specified under Schedule VII as per the second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer	
40,05,06,277	NIL	NA	NA	NIL	NA	

F. Excess amount for set-off, if any:

Sl. No.	Particulars	Amount (in ₹)
1	Two per cent of the average net profit of the company as per sub-section (5) of Section 135	39,80,17,479
2	Total amount spent for the Financial Year	40,05,06,277
3	Excess amount spent for the Financial Year [(2)-(1)]	24,88,798
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	24,88,798
5	The amount available for set off in succeeding financial years [(3)-(4)]	0

**7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:**

Sl. No.	Preceding Financial Year(s)	The amount transferred to the Unspent CSR Account under subsection (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 in FY 2023-24 (in ₹)	Amount Spent in the Financial Year 2023-24 (in ₹)	The amount transferred to a Fund as specified under Schedule VII as per the second proviso to subsection (5) of section 135, if any		The amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	FY 2022-23	0	0	0	0	NA	0	0
2	FY 2021-22	19,91,613	0	0	0	NA	0	0
3	FY 2020-21	10,27,62,598	0	0	0	NA	0	0

**8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year 2023-24:**

☒ Yes ☒ No

If Yes, enter the number of Capital assets created/ acquired: Not applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year 2023-24: Not applicable

**9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of Section 135:** Not applicable

**Ratan Kumar Kesh**

Managing Director & Chief Executive Officer  
(DIN: 10082714)

**Subrata Dutta Gupta**

Chairman  
Corporate Social Responsibility Committee  
(DIN: 08767943)

Place: Kolkata  
Date: July 26, 2024

**Anup Kumar Sinha**

Non-Executive (Independent) Chairman  
(DIN: 08249893)



## Annex - 2

## Disclosure on remuneration for FY 2023-24

[As per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

### 1. Ratio of remuneration of each Director to the median remuneration of the employees of the Bank for the financial year 2023-24:

Name	Designation	Ratio
Dr. Anup Kumar Sinha	Non-Executive (Independent) Chairman	18:1
Mr. Chandra Shekhar Ghosh	Managing Director & Chief Executive Officer	145:1
Mr. Rajinder Kumar Babbar <sup>1</sup>	Executive Director & Chief Business Officer	123:1
Mr. Ratan Kumar Kesh	Executive Director & Chief Operating Officer	100:1
Dr. A. S. Ramasastry	Independent Director	19:1
Dr. Aparajita Mitra	Independent Director	15:1
Ms. Divya Krishnan	Non-Executive Non-Independent Director (Nominee of BFHL)	18:1
Dr. Holger Dirk Michaelis <sup>2</sup>	Non-Executive Non-Independent Director (Nominee of Caladium)	9:1
Mr. Narayan Vasudeo Prabhutendulkar	Independent Director	17:1
Mr. Pankaj Sood <sup>2</sup>	Non-Executive Non-Independent Director (Nominee of Caladium)	3:1
Mr. Philip Mathew	Independent Director	15:1
Mr. Santanu Mukherjee	Independent Director	26:1
Mr. Subrata Dutta Gupta	Independent Director	25:1
Mr. Suhail Chander	Independent Director	25:1
Mr. Vijay Nautamlal Bhatt	Independent Director	17:1

<sup>1</sup> Mr. Rajinder Kumar Babbar has been appointed as a Whole-time Director of the Bank, designated as ED&CBO, effective from March 08, 2024.

<sup>2</sup> Mr. Pankaj Sood was appointed as a Non-Executive Non-Independent Director [Nominee of Caladium Investment Pte. Ltd. ('Caladium')], effective February 12, 2024, upon completion of tenure of Mr. Holger Dirk Michaelis, Non-Executive Non-Independent Director (Nominee of Caladium) on February 11, 2024.

Note:

- Fixed pay has been considered for the computation of the ratio. Fixed pay includes basic, allowances, and employer contributions to the Provident Fund.
- The above includes all employees of the Bank excluding advisors.
- In the case of Non-Executive Chairman, a fixed remuneration of ₹24 lakh per annum as approved by RBI and sitting fees paid for attending Board and Independent Directors' meetings during FY 2023-24 has been considered.
- In accordance with the RBI Circular dated April 26, 2021, the Non-Executive Directors, including Independent Directors (other than the Part-time Non-Executive Chairman), were each paid fixed remuneration of up to ₹12 lakh per annum, as approved by the Shareholders at their Annual General Meeting held on August 10, 2022, and sitting fees for attending the meetings of the Board and its Committee, and the meetings of Independent Directors, during FY 2023-24.

### 2. Percentage increase in remuneration of each Director, CFO, CEO, CS or Manager, if any, in the financial year 2023-24:

Designation	Percentage Increase
Chairman	Nil
Managing Director & CEO	24
Executive Director & CBO*	NA
Executive Director & COO	12
Non-Executive Director	NA
CFO*	NA
CS	14

\*Appointed during the FY 2023-24

**Non-Executive/ Independent Directors:**

During FY 2023-24, the Non-Executive Directors, including Independent Directors, of the Bank were paid sitting fees of ₹90,000 per meeting for attending the Board meetings, ₹75,000 per meeting for attending meetings of the Audit Committee and the Risk Management Committee, and ₹60,000 per meeting for attending meetings of other Committees of the Board and the meetings of the Independent Directors.

Further, in accordance with the RBI Circular dated April 26, 2021 and Shareholders approval at 8<sup>th</sup> AGM held on August 10, 2022, Non-Executive Directors, other than the Part-time Non-Executive Chairman of the Bank, are paid compensation in the form of fixed remuneration of up to ₹12 lakh per annum each, with effect from April 01, 2022, for a period of three years.

The Non-Executive Chairman of the Bank is paid fixed remuneration of ₹24 lakh per annum.

Neither there has been any change in the said fixed remuneration of the Chairman and Non-Executive Directors nor there has been any change in the said sitting fees for Non-Executive Directors for attending meetings during FY 2023-24.

**3. Percentage increase in the median remuneration of employees in the financial year 2023-24:**

Percentage increase in the median remuneration of employees in the financial year 2023-24 was 8.99 per cent.

**4. The number of permanent employees on the rolls of the Bank:**

As on March 31, 2024, the number of permanent employees on the rolls of the Bank was 75,748.

**5. Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average percentage increase for Managerial personnel (Whole-time Directors): 18 per cent.

The average percentage increase for employees other than managerial personnel: 7 per cent.

**6. Affirmation that the remuneration is as per the remuneration policy of the Bank:**

Yes

For and on behalf of the Board of Directors  
**Bandhan Bank Limited**

**Anup Kumar Sinha**  
Non-Executive (Independent) Chairman  
(DIN: 08249893)

Place: Kolkata  
Date: July 26, 2024

## Annex - 3

## Secretarial Audit Report

For the financial year ended March 31, 2024

*[Pursuant to Section 204(1) of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended]*

To  
The Members  
Bandhan Bank Limited  
DN-32, Sector-V, Salt Lake  
Kolkata – 700091

1. I, CS Hansraj Jaria, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Bandhan Bank Limited** having CIN: L67190WB2014PLC204622 (hereinafter referred as '**the Bank**') during the financial year ended March 31, 2024 (hereinafter referred as '**review period**'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

2. Based on my verification of the Bank's books, papers, minute books, forms and returns filed, and other records maintained by the Bank and also the information provided by the Bank, its officers, agents, and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Bank has, during the audit period covering the financial year ended on March 31, 2024, complied with the statutory provisions listed hereunder and also that the Bank has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

3. (I) I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Bank for the review period, according to the provisions of the following laws, rules and regulations, to the extent applicable on the Bank during the review period:

- 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. The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**'), as amended from time to time:

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended;
- d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended;
- e. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- f. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended;  
- Not Applicable for review period
- g. The Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended;
- h. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
- i. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; - Not Applicable for review period
- j. The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018;  
- Not Applicable for review period

- (II) I have also examined the compliance system prevailing in the Bank and the compliance of the books, papers, minute books, forms, and returns filed and other records maintained by the Bank for the review period, according to the provisions of the following laws, rules and regulations specifically applicable to the Bank and as per information and representation provided by the officers, agents, and authorised representatives of the Bank;
- a. The Reserve Bank of India Act, 1934;
  - b. The Banking Regulation Act, 1949 ('BR Act'), and notifications and circulars issued by the Reserve Bank of India ('RBI') from time to time;
  - c. The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
  - d. The Recovery of Debts and Bankruptcy Act, 1993;
  - e. The Credit Information Companies (Regulation) Act, 2005;
  - f. The Prevention of Money Laundering Act, 2002;
  - g. The Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015.
4. I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India under Section 118 of the Act.
  5. That on the basis of the audit as referred above, to the best of my knowledge, understanding and belief, I am of the view that during the review period the Bank has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., as mentioned above in Paragraphs 3(I), 3(II) and 4 of this report.
  6. I further report that,
    - a. The Board of Directors of the Bank is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors, including Woman Directors. The changes in the composition of the Board of Directors that took place during the review period were carried out in compliance with the applicable provisions of the Act.
    - b. Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
    - c. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
  7. I further report that, there are adequate systems and processes in the Bank commensurate with the size and operations of the Bank to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
  8. I further report that during the review period:
    - a. The Bank has allotted 1,33,268 equity shares of face value of ₹10/- each, pursuant to exercise of stock options by the eligible employees of the Bank under the Bandhan Bank Employee Stock Option Plan - Series 1;
    - b. The RBI, vide its order dated March 04, 2024, had imposed a monetary penalty of ₹29.55 lakh on the Bank for non-compliance with certain directions contained in the 'Reserve Bank of India (Interest Rate on Deposits) Directions, 2016', in exercise of its powers conferred under section 47A(1)(c) read with section 46(4)(i) of the BR Act.
  9. This Report is to be read with my letter of even date which is annexed as **Annexure – A** and forms an integral part of this Report.

**Hansraj Jaria**

(Practicing Company Secretary)

Membership No.: FCS 7703

CP No.: 19394

Place: Kolkata

Date: July 26, 2024

Peer Review Certificate No.: 1060/2021

UDIN: F007703F000832450



**Annexure A**

(To the Secretarial Audit Report of Bandhan Bank Limited for the financial year ended March 31, 2024)

To  
The Members  
Bandhan Bank Limited  
DN-32, Sector V, Salt Lake  
Kolkata-700091

My Secretarial Audit Report for the financial year ended March 31, 2024 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Bank. My responsibility is limited to expressing an opinion on existence of adequate board process and compliance management system, commensurate to the size of the Bank, based on the secretarial records as shown to me during the said audit and also based on the information furnished to me by the officers, agents, and authorised representatives of the Bank during the said audit.
2. I have followed the audit practices and processes as were appropriate, to the best of my understanding, to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to check as to whether correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Bank.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc., and I have relied on such representation, in forming my opinion.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of compliance procedures on test basis. I would not be liable for any business decision or any consequences arising thereof, made on the basis of my report.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness or accuracy with which the management has conducted the affairs of the Bank.

**Hansraj Jaria**

(Practicing Company Secretary)

Membership No.: FCS 7703

CP No.: 19394

Peer Review Certificate No.: 1060/2021

UDIN: F007703F000832450

Place: Kolkata

Date: July 26, 2024

# Report on Corporate Governance

[Report on Corporate Governance pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the '**SEBI LODR**') and the Companies Act, 2013 (the '**Companies Act**'), for the financial year ended March 31, 2024, forming part of the Board's Report]

## Bank's Philosophy on Corporate Governance

Your Bank believes in adopting and adhering to the best standards of corporate governance. It unswervingly benchmarks itself of such practices. The Bank understands and respects its fiduciary role and responsibilities towards its stakeholders and strives hard to meet their expectations. The Bank's philosophy on corporate governance enshrines the goal of achieving the highest levels of transparency, accountability and equity in all spheres of its operations and in all its engagements with its stakeholders. It acknowledges that the best Board practices, transparent disclosures and shareholder empowerment are necessary for creating stakeholders' value. The philosophy on corporate governance is an important tool for the protection of interests of stakeholders and maximisation of their long-term values.

Your Bank is in compliance with the extant corporate governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of the SEBI LODR.

## Board of Directors

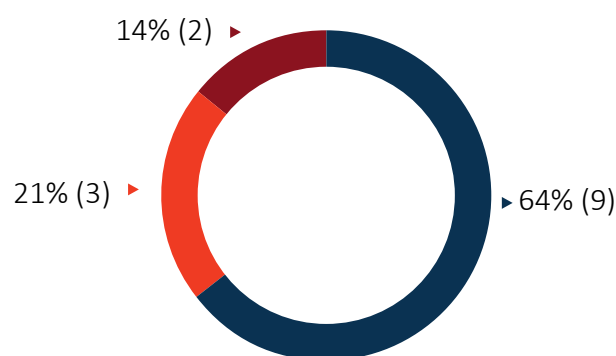
Your Bank entrusts its Board of Directors (the '**Board**') with the ultimate responsibility of the management, affairs, directions and performance of the Bank and accordingly, has vested the Board with the requisite powers, authorities and duties. The Corporate Governance philosophy of your Bank establishes that the Board's independence is essential to bring objectivity and transparency in the management and the dealings of the Bank.

The composition of the Board of your Bank is governed by the provisions of the Companies Act and rules made thereunder, the Banking Regulation Act, 1949 (the '**BR Act**') and the guidelines/circulars/ directions issued by the Reserve Bank of India ('**RBI**') in this regard, the provisions of the SEBI LODR, its Articles of Association ('**AOA**'), other applicable laws and the best corporate governance practices.

## Composition of the Board and Tenure on the Board

As on March 31, 2024, the Board of your Bank comprised of fourteen Directors, of whom nine were Independent Directors including Non-Executive (Independent) Chairman and one Woman Independent Director; two Non-Executive Non-Independent Directors, i.e., Nominees of Caladium Investment Pte. Ltd. ('**Caladium**') and Bandhan Financial Holdings Limited, Promoter of the Bank and Non-Operative Financial Holding Company ('**BFHL**' or '**NOFHC**'); and the Managing Director & Chief Executive Officer ('**MD&CEO**') and two Executive Directors.

## Board Composition



► Independent ► Executive ► Non-Executive Non-Independent

## Appointments:

- In terms of Regulation 17(1C) of the SEBI LODR, approval of Shareholders for appointment of Mr. Ratan Kumar Kesh (DIN: 10082714), who was appointed by the Board as Executive Director from March 31, 2023, was required to be sought at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Accordingly, Shareholders of the Bank on June 22, 2023, accorded their approval, via the Postal Ballot process, for the appointment of Mr. Kesh as a Whole-time Director, designated as Executive Director and Key Managerial Personnel of the Bank, for a period of three consecutive years, from March 31, 2023 upto March 30, 2026, liable to retire by rotation.
- Pursuant to the provisions of Section 10A(2A)(i) of the BR Act read with applicable RBI Circular, total tenure of a Non-Executive Director, continuously or otherwise, on the board of a bank, shall not exceed eight years. Accordingly, tenure of Dr. Holger Dirk Michaelis (DIN: 07205838), Non-Executive Non-Independent Director [Nominee of Caladium] was expiring on the close of business hours on February 11, 2024. Consequently, the Board of Directors of the Bank, at its meeting held on February 09, 2024, on the basis of the recommendation of the Nomination and Remuneration Committee of the Bank ('**NRC**'), approved the appointment of Mr. Pankaj Sood (DIN: 05185378) as Additional Non-Executive Non-Independent Director (Nominee of Caladium), on the Board of the Bank, with effect from February 12, 2024, subject to Shareholders' approval. Subsequently, in terms of the provisions of Regulation 17(1C) of the SEBI LODR, Shareholders of the Bank on April 21, 2024, accorded their approval, via the Postal Ballot process, for the appointment of Mr. Sood as the Non-Executive Non-Independent Director (Nominee of Caladium), with effect from February 12, 2024, liable to retire by rotation.

- (c) The Board of Directors of the Bank, at its meeting held on March 07, 2024, on the basis of the recommendation of the NRC and approval of the RBI, had approved the appointment of Mr. Rajinder Kumar Babbar (DIN: 10540386) as the Whole-time Director [Category: Additional Director], designated as Executive Director & Chief Business Officer ('ED & CBO'), and Key Managerial Personnel of the Bank, for a period of three years, liable to retire by rotation, with effect from March 08, 2024, subject to Shareholders' approval. Accordingly, in terms of the provisions of Regulation 17(1C) of the SEBI LODR, Shareholders of the Bank on April 21, 2024, accorded their approval, via the Postal Ballot process, for the appointment of Mr. Babbar as the Whole-time Director, designated as ED & CBO, and Key Managerial Personnel, for a period of three consecutive years, from March 08, 2024 up to March 07, 2027, liable to retire by rotation.
- (d) Reserve Bank of India vide its letter dated June 24, 2024, in exercise of powers conferred under Section 36AB of the BR Act, appointed Mr. Arun Kumar Singh (DIN: 09498086), Chief General Manager (retired), Reserve Bank of India, as an Additional Director on the Board of Bandhan Bank Limited, for a period of one year from June 24, 2024 to June 23, 2025 or till further orders, whichever is earlier.
- (e) Mr. Chandra Shekhar Ghosh, MD&CEO of the Bank, vide letter dated April 05, 2024, informed the Board of Directors that he would retire from the services of the Bank as the MD&CEO upon completion of his current tenure on July 09, 2024, which was noted by the Board at its meeting held on April 05, 2024. Accordingly, pursuant to the approval of the RBI and on the basis of the recommendation of the NRC, the Board, at its meeting held on July 06, 2024, has approved the appointment of Mr. Ratan Kumar Kesh (DIN: 10082714), Executive Director & Chief Operating Officer, as Interim MD&CEO of the Bank, with effect from July 10, 2024, for a

period of three months or till new MD&CEO takes charge, whichever is earlier, subject to approval of Shareholders at the ensuing Annual General Meeting ('AGM') of the Bank.

#### Re-appointments:

- (a) The Board, based on the recommendations of the NRC, approved and recommended the re-appointment of Mr. Suhail Chander (DIN: 06941577) and Mr. Subrata Dutta Gupta (DIN: 08767943) as Independent Directors of the Bank, not liable to retire by rotation, for their second term of five years, from March 19, 2024 up to March 18, 2029. Subsequently, the Members of the Bank, at their 9<sup>th</sup> AGM held on August 18, 2023, approved the re-appointments of Mr. Chander and Mr. Dutta Gupta.
- (b) In addition to above appointments/ re-appointments, the Members at the 9<sup>th</sup> AGM held on August 18, 2023 approved the re-appointment of Ms. Divya Krishnan (DIN: 09276201) as a Non-Executive Non-Independent Director of the Bank (Nominee of BFHL), who being longest in office and liable to retire by rotation, retired at the 9<sup>th</sup> AGM of the Bank, and being eligible, had offered herself for re-appointment.

The profiles of the Directors are available on the website of the Bank, at <https://www.bandhanbank.com/corporate-governance>.

The composition of the Board of the Bank represents various skill sets, special knowledge, practical experience, qualification, professionalism and diversity, as required for the banking business, as required under applicable laws and prescribed under the Bank's 'Policy on Appointment and Fit & Proper Criteria for Directors'. The Board reviews its strength and composition, from time to time, to ensure that it remains aligned with the requirements under the statutory provisions, aforesaid Policy as well as the business requirements of the Bank.

The average tenure of the Board Members in years as on March 31, 2024 is as follows:

Name of the Director(s)	Original Date of Appointment	Completed Tenure as on March 31, 2024	Retirement Date/ Existing Term Ending Date	Average Tenure – category-wise
Executive Directors				
Mr. Chandra Shekhar Ghosh	July 10, 2015	8 years 9 months	July 09, 2024	3 years 4 months
Mr. Ratan Kumar Kesh	March 31, 2023	1 Year 1 day	March 30, 2026	
Mr. Rajinder Kumar Babbar	March 08, 2024	1 month	March 07, 2027	
Non-Executive Non-Independent Directors				
Ms. Divya Krishnan	May 11, 2022	1 year 11 months	Retire by rotation	1 year
Mr. Pankaj Sood	February 12, 2024	2 months	Retire by rotation	
Independent Directors				
Dr. Anup Kumar Sinha <sup>#</sup>	January 07, 2019	5 years 3 months	July 04, 2026	3 years 9 months
Dr. Allamraju Subramanya Ramasastri	August 08, 2018	5 years 8 months	August 07, 2026	
Dr. Aparajita Mitra	July 13, 2022	1 year 9 months	July 12, 2025	
Mr. Narayan Vasudeo Prabhutendulkar	May 08, 2020	3 years 11 months	May 07, 2028	
Mr. Philip Mathew	June 15, 2022	1 year 10 months	June 14, 2025	
Mr. Santanu Mukheriee	January 07, 2019	5 years 3 months	January 06, 2027	

Name of the Director(s)	Original Date of Appointment	Completed Tenure as on March 31, 2024	Retirement Date/ Existing Term Ending Date	Average Tenure – category-wise
Mr. Subrata Dutta Gupta*	March 19, 2021	3 years	March 18, 2029	
Mr. Suhail Chander*	March 19, 2021	3 years	March 18, 2029	
Mr. Vijay Nautamlal Bhatt	May 08, 2020	3 years 11 months	May 07, 2028	

\* Re-appointed as an Independent Director and as Non-Executive Chairman effective January 07, 2022 up to July 04, 2026, however the RBI approved tenure as Non-Executive Chairman is for a period of three years effective January 07, 2022.

\* Re-appointed as Independent Director for a period of five years effective March 19, 2024

## Separation of office of the Chairman and the MD & CEO

In terms of the provisions of the BR Act, the Companies Act and the SEBI LODR, your Bank has separate offices for the Chairman and the Managing Director & CEO. Your Bank has a Non-Executive (Independent) Chairman and a Managing Director & CEO, the appointments of both were approved by the RBI pursuant to the provisions of the BR Act. The Chairman provides overall direction and guidance to the Board whereas the Managing Director & CEO of the Bank is responsible for the overall management of the Bank.

The operational and functional heads of the Bank along with the Executive Directors assist the Managing Director & CEO in the operation, execution and functioning of the Bank.

## Responsibilities of the Board

The responsibilities of the Board, *inter-alia*, include overseeing the functioning of the Bank, monitoring legal & statutory compliance, reviewing the efficacy of internal control systems and processes, and management of risks associated with the business of the Bank, based on the information provided to it. The Board is also responsible for approving the strategic direction, plans and priorities for the Bank, monitoring corporate performance against strategic business plans, reviewing and approving the Bank's financial and operating results periodically, overseeing the Bank's Corporate Governance framework and supervising the succession planning process for its Directors and Senior Management.

Accordingly, the Board deliberates on matters, such as, business strategy, risks, financial results, succession planning, compliance, customer service, financial inclusion, information technology and human resources in line with the seven critical themes prescribed by the RBI and such other matters as may be deemed appropriate. The Board spends considerable time perusing the information shared with them, which facilitates informed decision-making and effective participation at its meetings, leading to board effectiveness. The Board oversees the actions and results of the management to ensure that the long-term objectives of enhancing the shareholders' value is achieved. The Board also has the discretion to engage the services of external expert(s)/ advisor(s), as may be deemed appropriate, from time to time.

The Members of the Board have complete freedom to express their opinions and arrive at decisions after detailed deliberations.

## Board Meetings and Flow of Information

The Board plays an important role in ensuring sound Corporate Governance practices, providing strategic direction and functioning of the Bank. Notice and agenda papers are circulated to the Directors, in advance, before each meeting of the Board and Committees to facilitate meaningful and focused discussions at the meetings. All information, as applicable and specified in Regulation 17(7) of the SEBI LODR, read with Part A of Schedule II thereto, are regularly placed before the Board. The Board also periodically reviews the compliance reports with regard to the laws applicable to the Bank. In case of exigency(ies) or urgency(ies), in compliance with Section 175 of the Companies Act, proposals are approved by passing resolutions through circulation, which are placed in the next meeting of the Board/ Committee, as the case may be, for noting and forms part of the minutes of such meeting. The Board ensures that any direction given by it during the course of its meetings form part of the Action Taken Report ('ATR') for its review and discussion at its subsequent meetings.

The Board meets at least once a quarter and at least four times a year to review and approve the quarterly/ annual financial results and matters relating to the business operations of the Bank. Apart from the above, Board meetings are also convened, as and when required, by giving due notice to the Directors. Further, in order to facilitate Directors travelling/ residing abroad or at other locations to participate in the meetings, video-conferencing ('VC') facilities are also provided in terms of the provisions of Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014. The intervening period between any two consecutive Board meetings was well within the maximum gap of 120 days as specified in Regulation 17(2) of the SEBI LODR and Section 173(1) of the Companies Act.

The Board met eighteen times during the FY under review i.e., on May 17, 2023; May 19, 2023; May 26, 2023; June 04, 2023; July 12, 2023; July 14, 2023; September 09, 2023; October 16, 2023; October 18, 2023; November 24, 2023; February 07, 2024; February 09, 2024; February 22, 2024; February 23, 2024; March 07, 2024; March 19, 2024, March 20, 2024 and March 30, 2024.

## Board Attendance and Directorships

The names and categories of the Directors on the Board, their attendance at the Board Meetings and the last AGM held during the financial year under review, directorship in other companies including names of listed entities and Chairmanship/ Membership of the committees of such public limited companies, at the end of March 31, 2024, are given herein below:

Sl. No.	Name and DIN of the Directors	Category	Attendance during FY 2023-24				Number of Directorship in other companies		Number of Committee positions held in other public companies	
			No. of Board Meetings			AGM held on August 18, 2023	Public	Private	Chairperson	Member*
			During Tenure	Attended	%					
1.	Dr. Anup Kumar Sinha (Chairman) [DIN: 08249893]	Independent	18	18	100	Yes	-	-	-	-
2.	Mr. Chandra Shekhar Ghosh (Managing Director & CEO) [DIN: 00342477]	Executive	18	17	94.44	Yes	-	-	-	-
3.	Mr. Rajinder Kumar Babbar [DIN: 10540386]	Executive	3	3	100	NA	-	-	-	-
4.	Mr. Ratan Kumar Kesh [DIN: 10082714]	Executive	18	18	100	Yes	-	-	-	-
5.	Dr. A. S. Ramasastri [DIN: 06916673]	Independent	18	18	100	Yes	1	-	-	-
6.	Dr. Aparajita Mitra [DIN: 09484337]	Independent	18	18	100	Yes	-	1	-	-
7.	Mr. Narayan Vasudeo Prabhutendulkar [DIN: 00869913]	Independent	18	18	100	Yes	1 <sup>1</sup>	2	1	1
8.	Mr. Philip Mathew [DIN: 09638394]	Independent	18	17	94.44	Yes	-	-	-	-
9.	Mr. Santanu Mukherjee [DIN: 07716452]	Independent	18	18	100	Yes	6 <sup>2</sup>	1	3	7
10.	Mr. Subrata Dutta Gupta [DIN: 08767943]	Independent	18	17	94.44	Yes	-	1	-	-
11.	Mr. Suhail Chander [DIN: 06941577]	Independent	18	18	100	Yes	1	-	-	1
12.	Mr. Vijay Nautamlal Bhatt [DIN: 00751001]	Independent	18	16	88.89	Yes	2 <sup>3</sup>	1	1	3
13.	Ms. Divya Krishnan [DIN: 09276201]	Nominee (Non-Executive)	18	18	100	Yes	1	-	-	1
14.	Mr. Pankaj Sood [DIN: 05185378]	Nominee (Non-Executive)	6	6	100	NA	4 <sup>4</sup>	3	-	1

\*Membership includes Chairpersonship.

1. Mr. NVP Tendulkar is holding directorship as Independent Director in one other listed entity, viz. Global Vectra Helicorp Limited.
2. Mr. Santanu Mukherjee is holding directorships, as Independent Director, in five other listed entities, viz., Suven Life Sciences Limited; Sumedha Fiscal Services Limited; Rainbow Children's Medicare Limited; Aurobindo Pharma Limited and NACL Industries Limited.
3. Mr. Vijay Nautamlal Bhatt is holding directorship as Independent Director in one other listed entity, viz. FDC Limited.
4. Mr. Pankaj Sood is holding directorships, as Non-Executive Non-Independent Director in two other listed entities, viz., Mphasis Limited and Aditya Birla Fashion and Retail Limited.

Dr. Holger Dirk Michaelis (DIN: 07205838), Nominee of Caladium, ceased to be a director of the Bank, effective February 12, 2024. He attended 11 Board Meetings out of 12 Board Meetings held during his tenure during the FY 2024. He also attended the 9<sup>th</sup> AGM of the Bank held on August 18, 2023.

#### Note:

1. Other directorships do not include directorships of foreign companies.
2. None of the Directors is a member of more than ten committees or chairperson of more than five committees across all the public companies in which he/ she is a Director.
3. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee of the Board and Stakeholders' Relationship Committee of the Board have been considered as per Regulation 26(1)(b) of the SEBI LODR. Necessary disclosures regarding Committee positions in other public companies, as on March 31, 2024, have been made by the Directors.

None of the Directors are related to each other. Neither the Directors on the Board hold directorships in more than twenty companies or ten public companies nor any of the Independent Directors serve as an independent director in more than seven listed entities. All Directors of the Bank hold directorship in compliance with Regulation 17A of the SEBI LODR and Section 165 of the Companies Act. All Directors of the Bank have submitted forms/ declarations/ undertakings/ consent as required under the extant laws. Pursuant to review of the said submission by the directors of the Bank, the NRC and the Board have confirmed that all the Directors are in compliance with the applicable statutory and regulatory norms and, are fit and proper to continue as directors of the Bank.



### Skills/ Expertise/ Competence of Board of Directors

Being a banking company, your Bank is regulated by the provisions of the BR Act, besides the Companies Act and the SEBI LODR. In terms of Section 10A(2)(a) of the BR Act and the Bank's 'Policy on Appointment and Fit & Proper Criteria for Directors', the members of the Board of Directors shall consist of persons, who shall have special knowledge or practical experience in respect of one or more of the following matters, namely; accountancy, agriculture and rural economy, banking, co-operation, economics, finance, law, small-scale industry, information technology, cyber security, payment and settlement systems, human resources, risk management, business management, marketing, fin-tech or any other matter the special knowledge of, and practical experience,

which would, in the opinion of the RBI, be useful to the banking company and as may be deemed appropriate for the business requirements of the Bank. The Board of Directors of the Bank is guided by the above, as and when any new Directors are appointed on the Board. The brief profiles of all the members of the Board are available on the website of the Bank at <https://bandhanbank.com/corporate-governance>.

The details of the core skills/ expertise/ competence possessed by the Directors of the Bank are given hereunder, along with their shareholding in the Bank as at the end of March 31, 2024. None of the Directors is holding shares of the Bank as a beneficial owner for any other persons.

Name of the Director(s)	Date of Appointment (A)/ Re-appointment (R)	Expertise/ Special Knowledge/ Experience	Number of equity shares <sup>®</sup>
Dr. Anup Kumar Sinha	January 07, 2019 (A) January 07, 2022 (R)	Economics   Agriculture	-
Mr. Chandra Shekhar Ghosh	July 10, 2015 (A) July 10, 2018 (R) July 10, 2021 (R)	Financial Services (Micro Finance Sector)   Medium & Small-Scale Industry   Banking   Finance   Business Management	16,74,436
Mr. Rajinder Kumar Babbar	March 08, 2024 (A)	Banking   Small-scale industry   Law   Agriculture   Rural Economy	1,700 <sup>1</sup>
Mr. Ratan Kumar Kesh	March 31, 2023 (A)	Banking   Information Technology   Payment & Settlement systems	300
Dr. A.S. Ramasastry	August 08, 2018 (A) August 08, 2021 (R)	Information Technology   Payment & Settlement Systems   Finance	-
Dr. Aparajita Mitra	July 13, 2022 (A)	Agriculture and Rural Economy	-
Ms. Divya Krishnan	May 11, 2022 (A)	Finance   Investment Banking	-
Mr. NVP Tendulkar	May 08, 2020 (A) May 08, 2023 (R)	Accountancy   Finance   Information Technology   Law	-
Mr. Pankaj Sood	February 12, 2024 (A)	Finance   Business Management   Private Equity	-
Mr. Philip Mathew	June 15, 2022 (A)	Human Resource   Banking	-
Mr. Santanu Mukherjee	January 07, 2019 (A) January 07, 2022 (R)	Banking   Treasury Operations   Risk Management   Finance	-
Mr. Subrata Dutta Gupta	March 19, 2021 (A) March 19, 2024 (R)	Mortgage finance   Housing   Economics	-
Mr. Suhail Chander	March 19, 2021 (A) March 19, 2024 (R)	Banking   Risk Management   Finance   Accountancy   Business Management	-
Mr. Vijay N Bhatt	May 08, 2020 (A) May 08, 2023 (R)	Audit   Accountancy   Assurance   Finance   Law	-

**A** stands for Appointment and **R** stands for Re-appointment

<sup>®</sup> The Bank has not issued any convertible instruments.

<sup>1</sup> Held jointly with spouse

### Independent Directors

At the end of March 31, 2024, the Board consisted of the following nine Independent Directors, in accordance with the provisions of the Companies Act, the BR Act and the SEBI LODR:

Sl. No.	Name of the Directors	Date of Appointment (A)/ Re-appointment (R)
1.	Mr. Santanu Mukherjee	January 07, 2022 (R)
2.	Dr. Anup Kumar Sinha	January 07, 2022 (R)
3.	Dr. Allamraju Subramanya Ramasastry	August 08, 2021 (R)
4.	Dr. Aparajita Mitra	July 13, 2022 (A)
5.	Mr. Narayan Vasudeo Prabhutendulkar	May 08, 2023 (R)
6.	Mr. Philip Mathew	June 15, 2022 (A)
7.	Mr. Subrata Dutta Gupta	March 19, 2024 (R)
8.	Mr. Suhail Chander	March 19, 2024 (R)
9.	Mr. Vijay Nautamlal Bhatt	May 08, 2023 (R)

## Meeting of Independent Directors

During the financial year under review, the Independent Directors met twice without the presence of management, i.e., on May 11, 2023 for performance evaluation of the Board, Chairman and Non-Independent Directors, and on November 22, 2023 to assess the quality, quantity and timeliness of the flow of information between the management and the Board, and other governance related matters. Further, in accordance with Regulation 25(4) of the SEBI LODR and Clause VII of Schedule IV to the Companies Act, the Independent Directors met exclusively on May 13, 2024, without the presence of the Managing Director & CEO, Executive Director, Non-Executive Non-Independent Directors or management, to review the performance of Non-Independent Directors and the Board as a whole for the Financial Year 2023-24. The Independent Directors also reviewed the performance of the Non-Executive Chairman of the Bank.

## Independence of Directors

All Independent Directors have given necessary declarations of independence under Section 149(7) of the Companies Act and Regulation 25(8) of the SEBI LODR and have also confirmed that they are not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act and Regulation 16(1)(b) of the SEBI LODR and that they are independent of the management. A formal letter of appointment has been addressed to the Independent Directors at the time of their appointment(s)/ re-appointment(s). The terms and conditions of appointment of Independent Directors are available on the website of the Bank at <https://bandhanbank.com/pdfViewerJS/index.html#./sites/default/files/2024-07/Terms-and-Conditions-of-Appointment-of-Independent-Director.pdf>

## Independent Director Databank Registration

In terms of Rule 6(3) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, Independent Directors of the Bank have confirmed that they have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs ('Institute') as well as renewed the registration wherever required. Further, the Independent Directors, who were required to pass an online proficiency self-assessment test conducted by the Institute, have appeared for and passed such test.

## Familiarisation Programme

The 'Policy on Appointment and Fit & Proper Criteria for Directors' sets out the familiarisation programme for the Non-Executive Directors ('NEDs') of the Bank. In order to familiarise the Bank's NEDs, including Independent Directors, with the functioning of the Bank and their roles, responsibilities, etc., the newly appointed Directors are provided with a comprehensive Induction Kit, including the business, operations and financials of the Bank, history of the Bank, organisational structure, composition and roles of the Board and Committees, core management team of the Bank, rights, responsibilities and liabilities as an Independent

Director, copies of the applicable Policies and Codes of the Bank, along with the Memorandum of Association ('MOA') & Articles of Association ('AOA'). The Bank also nominates the Directors to attend relevant external programmes at reputed forums and/ or internally provide deep-dives/ presentations on subjects relevant from the Bank's perspective, as may be necessary from time to time. The details of the familiarisation programmes conducted for the Independent Directors of the Bank are available on the website of the Bank at <https://bandhanbank.com/familiarisation-programmes>.

## Performance Evaluation Criteria for Independent Directors

The performance evaluation of Independent Directors is conducted in terms of the provisions of 'Performance Evaluation Policy for the Board, Committees, Non-independent/ Whole-time Directors and Independent Directors' (the '**Board PE Policy**') as recommended by the NRC and approved by the Board, pursuant to the relevant provisions of the Companies Act, the SEBI LODR and SEBI Guidance Note on Board Evaluation. In terms of the Board PE Policy, an indicative list of factors on which evaluation of the Independent Directors was carried out includes commitment, contribution, competency, attendance, initiative, teamwork, communication, adherence to code of conduct, corporate governance, fulfilment of the independence criteria and their independence from the Management. Further details of the evaluation on Independent Directors are provided in the Board's Report.

## Policy on Appointment of Directors

Your Bank has in place a 'Policy on Appointment and Fit & Proper Criteria for Directors'. This Policy lays down the criteria for identification of persons who are qualified and 'fit and proper' to become Directors on the Board, such as, academic qualifications, special knowledge or practical experience, competence, track record, integrity, etc., which shall be considered by the NRC while recommending appointment/ re-appointment of a Director. The Policy is available on the website of the Bank at <https://bandhanbank.com/pdfViewerJS/index.html#./sites/default/files/2023-12/Policy-on-Appointment-and-Fit%20Proper-Criteria-for-Directors-website-131223.pdf>. This Policy is guided by the provisions of the BR Act and the rules framed thereunder, the Companies Act and the SEBI LODR and the circulars or guidelines issued by the RBI, from time to time, in this regard. While appointing a Director on its Board, your Bank follows the direction(s) of the RBI with regard to 'fit and proper' criteria, as applicable to private sector banks, and obtains the 'Declaration and Undertaking' from the candidate and executes Deed of Covenants, which includes the requirement for Directors to discharge their duties and responsibilities to the best of their abilities, individually and collectively. The NRC ascertains the fit and proper status of the candidate for the office of director, fulfilment of criteria of independence as prescribed under the Companies Act and the SEBI LODR in case of independent directors, and thereafter, recommends their appointment/ re-appointment to the Board for approval. The Board also ensures that the Directors have the requisite skill sets, practical experience, special knowledge required for the banking business and as prescribed under Section 10A(2)(a) of the BR Act. The Board is duly constituted including gender diversity. The appointments of the

Chairman, the Managing Director and Executive Director(s) on the Board are made with the prior approval of the RBI. The Board also takes into account the outcome of performance evaluation while considering the re-appointment/ continuation of appointment of Independent Directors.

The NRC evaluates whether the members of the Board, excluding NRC members, adhere to the 'fit and proper' criteria as prescribed by the RBI and the adherence to the 'fit and proper' criteria by the members of the NRC is evaluated by the Board of Directors annually, in addition to evaluation of fit and proper status at the time of appointment/ re-appointment of Directors.

### Remuneration Policy

Your Bank has formulated and adopted a Compensation Policy for Directors, Key Managerial Personnel and Employees of the Bank, in terms of Section 178 of the Companies Act, read with the relevant Rules made thereunder, Regulation 19 of the SEBI LODR and the Guidelines or Circulars or Directions issued by the RBI, in this regard, from time to time. Your Bank's Compensation Policy is aligned to its business strategy, market dynamics, internal characteristics and complexities within the Bank. Your Bank's remuneration framework aims to attract, motivate and retain people with the requisite skill, experience and ability to deliver its strategy; create an alignment and balance between the rewards and risk exposure of shareholders and interests of employees; promote responsible growth and create long term sustainable shareholders' value consistent with strategic goals and appropriate risk management; reinforce behaviour consistent with the Bank's values, principles and objectives, and support appropriate conduct and meritocratic culture through differentiated performance rewards. The Compensation Policy of your Bank is reviewed by the NRC and the Board on an annual basis to align the provisions with regulatory changes as well as to meet the organisational requirements. The Compensation Policy of your Bank was reviewed by the Board during the year and one addition was made relating to deferred variable cash pay. The updated Policy is available on the website of the Bank at <https://bandhanbank.com/pdfViewerJS/index.html#./sites/default/files/2024-07/Compensation-Policy-20072024.pdf>

RBI, vide its circular no. RBI/2019-20/89 DOR.Appt. BC.No.23/29.67.001/2019-20 dated November 04, 2019, has issued 'Guidelines on Compensation of Whole-time Directors/ Chief Executive Officers/Material Risk takers and Control function staff' for implementation by private sector banks and foreign banks from April 01, 2020. The Bank's Compensation Policy is in line with this RBI circular. In terms of the Compensation Policy, the total compensation shall be a prudent mix of fixed pay (including basic salary, fixed allowances, retiral and perquisites) and performance-based variable pay (comprising cash component and share-linked instruments, which includes employee stock options

and cash linked stock appreciation rights) whereas variable pay shall not exceed three times the annual fixed pay for Managing Director & CEO/ Whole-time Director(s). Annual increments for the senior management are recommended by the NRC and approved by the Board. The annual increments for the Managing Director & CEO/ Whole-time Director(s) are recommended by the NRC and the Board for the approval of RBI and the Members. The Board of Directors, on the recommendation of the NRC and on the basis of the evaluation process considering the criteria, such as, the performance of the Bank as well as that of the Managing Director & CEO/ Whole-time Director(s), recommends to the RBI for approval of the variable pay payable to the Managing Director & CEO/ Whole-time Director(s) for the financial year. The remunerations of the Managing Director & CEO/ Whole-time Director(s) are subject to prior approval of RBI and the approval of Members.

### Non-Executive Directors' Compensation and Disclosures

In terms of the provisions of the Companies Act, the SEBI LODR and the Compensation Policy of the Bank, the Non-Executive Directors ('NED'), including Independent Directors, of your Bank are paid sitting fees of ₹90,000 per meeting for attending the meetings of the Board, ₹75,000 per meeting for attending meetings of the Audit Committee of the Board and the Risk Management Committee of the Board, and ₹60,000 per meeting for attending meetings of other Committees of the Board as well as meetings of Independent Directors, subject to applicable taxes, and reimbursement of expenses for participation in such meetings. Additionally, pursuant to the RBI Circular dated April 26, 2021, the Compensation Policy of your Bank provides for payment of compensation in the form of a fixed remuneration commensurate with an individual director's responsibilities and demands on time and which are considered sufficient to attract qualified competent individuals, provided such fixed remuneration for a NED, other than the Chairperson of the Board, shall not exceed ₹20 lakh per annum. RBI has, vide circular dated February 09, 2024, revised the aforementioned ceiling to ₹30 lakh per annum. Accordingly, pursuant to approval of Members of the Bank, the NEDs excluding Non-Executive Chairman, are paid fixed remuneration of ₹12 lakh per annum per NEDs. In addition to sitting fees, the Non-Executive Chairman of the Bank is also paid fixed remuneration with prior approval of the RBI pursuant to the provisions of the BR Act and approval of the Members of the Bank. Details of sitting fees paid to the NEDs and the remuneration to Non-Executive Chairman are given hereinafter. During the financial year under review, there was no increase in the fixed remuneration of the Non-Executive Chairman of the Bank. The Compensation Policy of the Bank is available on its website and the link for the same has been provided above. No stock options were/ are granted to any of the NEDs of the Bank.

## Remuneration to Directors

Details of the total remuneration paid to all the Directors of your Bank for the financial year ended March 31, 2024 are as follows:

### a. Non-Executive Directors

(Amt. in ₹)

Sl. No.	Name of the Directors	Salary	Sitting fees	Total
1.	Dr. Anup Kumar Sinha*	24,00,000	17,40,000	41,40,000
2.	Dr. Allamraju Subramanya Ramasastry	12,00,000	32,25,000	44,25,000
3.	Dr. Aparajita Mitra	12,00,000	22,20,000	34,20,000
4.	Ms. Divya Krishnan	12,00,000	30,15,000	42,15,000
5.	Dr. Holger Dirk Michaelis (retired on February 11, 2024)	10,37,931	9,90,000	20,27,931
6.	Mr. Narayan Vasudeo Prabhutendulkar	12,00,000	27,60,000	39,60,000
7.	Mr. Pankaj Sood (appointed w.e.f. February 12, 2024)	1,62,069	5,40,000	7,02,069
8.	Mr. Philip Mathew	12,00,000	23,70,000	35,70,000
9.	Mr. Santanu Mukherjee	12,00,000	48,75,000	60,75,000
10.	Mr. Subrata Dutta Gupta	12,00,000	46,35,000	58,35,000
11.	Mr. Suhail Chander	12,00,000	45,90,000	57,90,000
12.	Mr. Vijay Nautamlal Bhatt	12,00,000	28,35,000	40,35,000

\*In addition to the sitting fees for attending meetings of the Board and Committees, the Non-Executive Chairman is also paid fixed (consolidated) remuneration of ₹24 lakh per annum and travelling and official expenses for performing his duty, as approved by the RBI and the Shareholders.

The Shareholders of the Bank, at 8<sup>th</sup> AGM held on August 10, 2022, have accorded their approval for payment of compensation to each Non-Executive Director of the Bank, other than the Part-time Non-Executive Chairperson, in the form of fixed remuneration of up to ₹12 lakh per annum, with effect from April 01, 2022 for a period of three years, in addition to payment of sitting fees and reimbursement of out-of-pocket expenses for attending the Board and Committee meetings.

During the financial year under review, apart from the aforesaid, there was no pecuniary relationship or significant/ material transactions of the Non-Executive Directors vis-à-vis the Bank (except banking transactions in the ordinary course of business and at an arm's length basis).

### b. Managing Director & CEO

Particulars	(Amt. in ₹)
Basic	1,95,00,000
House Rent Allowance	70,62,500
Retirals (Gratuity)	9,37,500
Other allowance and Perquisites	70,00,000
<b>Total Fixed Pay and Perquisites</b>	<b>3,45,00,000</b>
<b>Variable Pay</b> (including deferred from previous year)	<b>73,57,267</b>

\*Perquisites include Medical Allowance, Child Education Allowance, Conveyance Allowance, Car fuel and driver allowances, Club Membership, Insurance Valuation (Group Term Life, Group Medisclaim & Accidental Disability) & Health Check-up, mobile handset & usage, broadband charges, residential telephone connection & usage, expenses relating to personal travel with family in India or abroad and perquisite value of exercise of ESOPs. All hospitalisation and medical expenses for self, spouse, and dependents (max self+4) shall be reimbursed on actuals.

- As approved by the RBI and the Shareholders at 7<sup>th</sup> AGM, Mr. Chandra Shekhar Ghosh had been re-appointed as the MD & CEO, for a period of three years, from July 10, 2021.
- On the basis of the recommendations of the NRC and the Board, and approval of the RBI for fixed pay, Shareholders, at

the 9<sup>th</sup> AGM of the Bank, had approved the total remuneration (including variable pay comprising non-cash component only) of the MD & CEO for the FY 2022-23, subject to prior-approval of the RBI for the variable pay. Subsequently, the approval of the RBI was also received for the variable pay of the MD & CEO for FY 2022-23. Furthermore, on the basis of the recommendations of the NRC and the Board, proposal for remuneration of the MD & CEO from April 01, 2023 till July 09, 2024 is being placed for the approval of Shareholders at the ensuing AGM of the Bank. Approval of RBI has been received for the fixed pay of the MD & CEO for FY 2023-24, whereas approval for the variable pay for FY 2023-24 is subject to RBI approval. No sitting fees were paid to Mr. Ghosh for attending meetings of the Board and Board Committees. The notice period applicable to Mr. Ghosh is three months. Mr. Ghosh was not eligible for any severance fee.

- In terms of the approval of the RBI, Mr. Ghosh was granted 2,71,753 stock options during FY 2023-24 in terms of the provision of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and ESOP Scheme of the Bank. These options would vest not earlier than one year and not later than four years from the date of grant as decided by the NRC and shall be equally vested over four years with a gap of one year between each vesting. The said stock options were not issued at any discount. Mr. Ghosh had exercised 50,000 stock options during FY 2023-24. Further, as per the ESOP Scheme of the Bank, upon retirement of Mr. Ghosh as MD&CEO of the Bank on July 09, 2024, all the unvested

options of a grant, shall get vested on the first vesting date relating to the said grant, immediately following the date of superannuation/ retirement. The exercise period for the options which get vested at one go after the retirement date, will be five years from the date of vesting.

- d. For the overall performance assessment of the MD & CEO, a Balanced Score Card ('BSC') is used. The BSC is a performance evaluation technique that takes into consideration a number of financial and non-financial performance indicators aligned to the long-term strategy of the organisation. The performance goals are organised to address four perspectives, viz., financial, customer, internal process and people, the latter three being drivers of future performance. In the BSC, the Bank has considered financial performance measures, asset quality, the cost to income ratio, adherence

to anchor wise risk appetite, compliance management and other strategic initiatives with longer horizons. As per the RBI guidelines dated November 04, 2019, the performance based variable pay is subject to in year adjustment, malus or clawback. Further, the deferred composition of the variable pay would be subject to malus and clawback arrangements in the event of subdued or negative financial performance of the Bank and/ or the relevant line of business in any year.

- e. Further details regarding the compensation of the MD & CEO as well as other disclosures as required to be made pursuant to the RBI Guidelines on compensation of the WTD/ CEO/ Material Risk Takers and Control Function Staff dated November 04, 2019 are made available as notes to the Financial Statement forming part of this Annual Report.

### c. Executive Directors (EDs)

(Amt. in ₹)

Particulars	Mr. Ratan Kumar Kesh, ED&COO	Mr. Rajinder Kumar Babbar, ED & CBO (w.e.f. March 08, 2024)
Basic	87,50,000	4,61,287
House Rent Allowance	43,75,000	2,30,644
Retirals (Provident Fund & Gratuity)	14,70,875	55,354
Other allowance and Perquisites*	1,34,04,125	11,50,602
<b>Total Fixed Pay and Perquisites</b>	<b>2,80,00,000</b>	<b>18,97,887</b>
Variable Pay	Variable pay for FY 2024 will be paid in FY 2025, subject to RBI approval	Not applicable since joined in March 2024

\*includes Special Allowance, Medical Allowance, Leave Travel Allowance, Child Education Allowance, Conveyance Allowance, Car Fuel and Driver Allowance, Club Membership, Insurance Valuation (Group Term Life, Group Medisave & Accidental Disability) & Health Check-up, Payment/ reimbursement of the charges towards mobile connection and Broadband/ Landline charges on actual basis, etc. Additionally, company provided car and staff housing loan at concessional rate have been availed by Mr. Kesh, hence the same has been included in his perquisites with annual monetised aggregate value of ₹30 lakh and is not paid to him in cash. All hospitalisation and medical expenses for self, spouse, and dependents (max 1+4) shall be reimbursed on actuals.

- a. Mr. Ratan Kumar Kesh has been appointed as the Executive Director & Chief Operating Officer ('ED&COO') of the Bank and Key Managerial Personnel, for a period of three years, from March 31, 2023, pursuant to RBI approval, which was subsequently approved by the Shareholders of the Bank via Postal Ballot process on June 22, 2023. On the basis of the recommendations of the NRC and the Board, the proposal for remuneration of the ED&COO for FY 2023-24 is being placed for the approval of Shareholders at the ensuing AGM of the Bank. Approval of RBI has been received for the fixed pay of the ED&COO for FY 2023-24, whereas variable pay for FY 2023-24 is subject to RBI approval.
- b. In terms of the approval of the RBI and Shareholders, Mr. Kesh was granted 4,00,000 stock options within one month of his joining the Bank i.e. on April 26, 2023 whereas the second tranche of 1,25,000 Options was granted on November 20, 2023, i.e. upon completion of six months with the Bank, as Joining ESOPs. These options would vest not earlier than one year and not later than four years from the date of grant and shall be equally vested over four years with a gap of one year between each vesting. Vesting of Options will be subject to achievement of a minimum performance rating of '4' in the year of vesting, failing which, the Options to be vested in that

year of vesting will be cancelled. The said stock options were not issued at any discount.

- c. Mr. Rajinder Kumar Babbar has been appointed as the Executive Director & Chief Business Officer ('ED&CBO') of the Bank and Key Managerial Personnel, for a period of three years, from March 08, 2024, pursuant to RBI approval, which was subsequently approved by the Shareholders of the Bank via Postal Ballot process on April 21, 2024. The remuneration of the ED&CBO effective March 08, 2024, was also approved by the RBI and the Shareholders of the Bank.
- d. In terms of the approval of the RBI and Shareholders, Mr. Babbar was granted 10,12,373 stock options within one month of his joining the Bank i.e. on March 13, 2024. Stock Options for Black Scholes value worth ₹ 3 crore would be granted in the second tranche upon completion of six months of Mr. Babbar with the Bank. These options would vest not earlier than one year and not later than four years from the date of grant and shall be equally vested over four years with a gap of one year between each vesting. Vesting of Options will be subject to achievement of a minimum performance rating of '4' in the year of vesting, failing which, the Options to be vested in that year of vesting will be cancelled. The said stock options were not issued at any discount.



- e. No sitting fees are paid to EDs for attending meetings of the Board. The notice period applicable for EDs is three months. EDs are not eligible for any severance fees.
- f. For the overall performance assessment of the EDs, a Balanced Score Card (**'BSC'**) is used. The BSC is a performance evaluation technique that takes into consideration a number of financial and non-financial performance indicators aligned to the long-term strategy of the organisation. The performance goals are organised to address four perspectives, viz., financial, customer, internal process and people, the latter three being drivers of future performance. As per the RBI guidelines dated November 04, 2019, the performance based variable pay is subject to in year adjustment, malus or clawback. Further, the deferred composition of the variable pay would be subject to malus and clawback arrangements in the event of subdued or negative financial performance of the Bank and/ or the relevant line of business in any year. Furthermore, the representative set of situations provided in the Bank's Compensation Policy for invocation of malus and clawback clauses shall be applicable on the entire variable pay.
- g. Further details regarding the compensation of the EDs as well as other disclosures as required to be made pursuant to the RBI Guidelines on compensation of the WTD/ CEO/ Material Risk Takers and Control Function Staff dated November 04, 2019 are made available as notes to the Financial Statement forming part of this Annual Report.

## Senior Management

Particulars of senior management of the Bank is provided under the section 'Corporate Overview'. There were certain changes in Senior Management of the Bank during FY 2023-24. Mr. Sunil Samdani ceased as Chief Financial Officer (**'CFO'**) of the Bank effective October 19, 2023. Consequently, Mr. Abhijit Ghosh was appointed as Interim CFO of the Bank effective October 20, 2023 and relinquished the said office on February 22, 2024 upon appointment of Mr. Rajeev Manti as CFO of the Bank. Mr. Amitava Goswami was appointed as the Chief Compliance Officer (**'CCO'**) of the Bank effective November 29, 2023 upon relinquishment of office of the CCO by Mr. Sudheer Reddy Govula at the close of business hours on November 28, 2023. Mr. Pinaki Halder was appointed as Chief Information Officer (**'CIO'**) of the Bank effective December 26, 2023 and Mr. Ronti Kar, CIO, was assigned a new strategic role as Head - Innovation Hub and Fintech Partnership. Mr. Gopalkrishnan Santosh was appointed as Head - Consumer Lending & Mortgages on February 01, 2024. Mr. Shantanu Sengupta, Head - Retail Banking, ceased to be associated with the Bank from the close of business hours on March 30, 2024.

## Board Committees

The Board has also been conducting its businesses through various Committees constituted to deal with specific matters as may be delegated by the Board and as mandated under the relevant provisions of the Companies Act, the SEBI LODR, the BR Act, Guidelines and Circulars issued by the RBI, in this regard, from time to time, and the AOA of the Bank.

The Agenda for the meetings of the Committees is finalised in consultation with the respective Chairperson of the concerned Committees. The Committees ensure that any direction given by them during the course of the meetings forms part of the Action Taken Report (**'ATR'**) for their review and discussion at the subsequent meetings. The Chairperson of the Committees brief the Board on the key decisions taken at respective meetings. In case of business exigency(ies) or urgency(ies) of matters, proposals are approved through circulation by the Committees in the form of 'Resolution(s) by Circulation', which are subsequently submitted in the forthcoming meeting for its noting as required under the Companies Act.

All the recommendations made by the Committees of the Board which are mandatorily required, were accepted by the Board.

The Board has constituted the following Committees to oversee specific areas:

1. Audit Committee
2. Nomination & Remuneration Committee
3. Risk Management Committee
4. IT Strategy Committee
5. Customer Service Committee
6. Corporate Social Responsibility and Sustainability Committee
7. Special Committee for Monitoring High Value Frauds
8. Stakeholders' Relationship Committee
9. Committee of Directors

## Audit Committee

### Qualified and Independent Audit Committee

Your Bank has a qualified and independent Audit Committee of the Board (**'ACB'**), with the powers and roles that are in accordance with Section 177 of the Companies Act and rules made thereunder, Regulation 18 of the SEBI LODR, circulars/ guidelines issued by the RBI in this regard, from time to time, which acts as a link between the Management, the Statutory Auditors, Internal Auditors and the Board of Directors and oversees the financial reporting process, internal control and compliance matters of the Bank.

The ACB provides direction to the audit function and monitors the quality of internal and statutory audits. Its responsibilities, *inter-alia*, include examining the financial statement and auditors' reports and overseeing the financial reporting process to ensure fairness, sufficiency and credibility of financial statements, recommending appointment of auditors and terms of such appointment, and reviewing and monitoring the internal audit of the Bank.

## Meetings of the ACB

As on March 31, 2024, the ACB comprised of five Directors including four Independent Directors and one Non-Executive Non-Independent Director, and chaired by Mr. Vijay Nautamlal Bhatt, an Independent Director, who is a Chartered Accountant. During FY 2023-24, the Committee met fourteen times on

May 10, 2023, May 18, 2023, May 25, 2023, July 13, 2023, August 10, 2023, September 09, 2023, October 18, 2023, November 23, 2023, December 04, 2023, February 01, 2024, February 08, 2024, February 22, 2024, March 07, 2024 and March 30, 2024, and the gap between any two consecutive meetings did not exceed one hundred and twenty days.

In terms of the SEBI LODR, Mr. Indranil Banerjee, the Company Secretary and Compliance Officer of the Bank, acts as the

Secretary to the ACB. He also acts as the Compliance Officer to ensure compliance and effective implementation of the Bank's Code of Conduct for Prevention of Insider Trading ('PIT Code') and submitting the reports on the matter relating to the PIT Code to the ACB/ Board at regular intervals.

Further, Mr. Vijay Nautamlal Bhatt, Chairman of the ACB, attended the last AGM of the Bank, held on August 18, 2023.

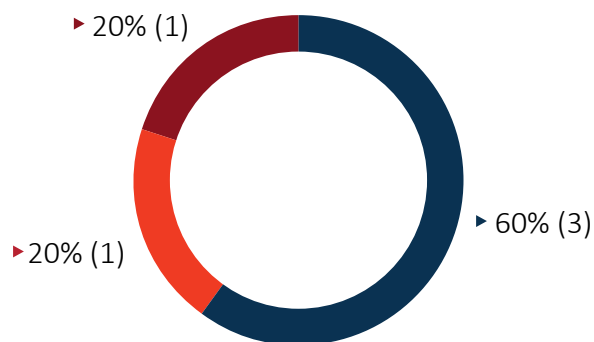
### Composition (as on March 31, 2024) and attendance - ACB

Name of Member	Category	Number of Meetings during the FY 2023-24 (Fourteen meetings)		% of Attendance	Gross Amount of Sitting Fees paid (Amt. in ₹)
		During Tenure	Attended		
Mr. Vijay Nautamlal Bhatt, Chairman	Independent	14	13	92.86	9,75,000
Ms. Divya Krishnan	Non-Executive Non-Independent	14	13	92.86	9,75,000
Mr. Santanu Mukherjee	Independent	14	14	100	10,50,000
Mr. Suhail Chander	Independent	14	14	100	10,50,000
Mr. Subrata Dutta Gupta <sup>1</sup>	Independent	13	12	92.31	9,00,000

<sup>1</sup> Appointed as a member of the ACB effective May 17, 2023

**Note:** As on July 26, 2024, the ACB comprised, Mr. Vijay Nautamlal Bhatt (Chairman), Independent Director, Mr. Arun Kumar Singh, RBI (Nominee) Additional Director, Ms. Divya Krishnan, Non-Executive Non-Independent, Mr. NVP Tendulkar, Independent Director and Mr. Subrata Dutta Gupta, Independent Director. RBI vide its letter dated June 24, 2024, appointed Mr. Arun Kumar Singh as Additional Director for a period of one year, on the Board and the ACB of the Bank under the provisions of Section 36AB of the BR Act.

### ACB Composition - (as on date)



► Independent ► Non-Executive Non-Independent  
 ► RBI Nominee Director (As per Section 36AB of the BR Act, for the purpose of reckoning any proportion of the total number of Directors of the banking company, any additional Director appointed under this section shall not be taken into account. Accordingly, though Mr. Singh has been appointed as a member of the ACB, he has not been considered in determining the constitution of the ACB).

### Terms of reference

Terms of reference of the ACB is given below:

1. Oversight of the Bank's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that its financial statement are correct, sufficient and credible;

2. Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of the Bank;
3. Approval of payment of statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statement and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013 as amended;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statement arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statement;
  - f. Disclosure of any related party transactions; and
  - g. Modified opinion(s) in the draft audit report.

5. Reviewing, with the management, the quarterly, half-yearly and annual financial statement before submission to the Board of Directors for approval;
6. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modifications of transactions of the Bank with related parties (Provided that only those members of the audit committee, who are independent directors, shall approve related party transactions);
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Bank, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Monitoring the end use of funds raised through public offers and related matters;
13. Reviewing with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
14. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. Discussion with the internal auditors on any significant findings and follow up thereon;
16. To review the effectiveness of Concurrent Audit system;
17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
18. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
19. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
20. To review the functioning of the whistle blower mechanism;
21. To review the compliance with the Code of Conduct for Prevention of Insider Trading and shall verify that the systems for internal control are adequate and are operating effectively, as required under the SEBI (Prohibition of Insider Trading) Regulations, 2015;
22. Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;
23. To review the appointment, transfer or removal of the Chief Compliance Officer ('CCO') in compliance with the regulatory guidelines and to review the performance appraisal of CCO;
24. To conduct one-to-one meeting(s) with the Head of Internal Audit and CCO on a quarterly basis, without the presence of the senior management including MD & CEO;
25. To review the Compliance Function of the Bank on a quarterly basis to manage compliance risk and ensure that compliance issues are resolved effectively and expeditiously by top/ senior management with the assistance of compliance staff;
26. To conduct a detailed annual review of the Compliance Function (including organisational structure, activities and qualifications of Compliance staff) and recommend changes, if any, to the Compliance Policy of the Bank.
27. To monitor and review reporting requirements by the Compliance Function including reporting of Compliance Testing results, compliance breaches/ failures, Compliance Risk Assessment, change in the compliance risk profile, etc;
28. To review instances of all material compliance failures which may attract significant risk of legal or regulatory sanctions, financial loss or loss of reputation promptly;
29. To ensure timely and sustainable compliance to all observations of Risk Assessment Report (RAR)/ Risk Mitigation Plan (RMP) and the regulatory and supervisory guidelines/ directions in letter and spirit;
30. Carrying out any other terms of reference as may be decided by the Board or specified/ provided under the Companies Act, 2013 or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or by any other regulatory authority;
31. Reviewing of (1) management discussion and analysis of financial condition and results of operations; (2) the status of long-term (more than one year) or recurring Related Party Transactions, on an annual basis; (3) management letters/ letters of internal control weaknesses issued by the statutory auditors; (4) internal audit reports relating to internal control weaknesses; (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject

to review by the Audit Committee; and (6) statement of deviations including (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; (b) annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

32. Consider and comment on the rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Bank and its shareholders.

### Nomination & Remuneration Committee

Your Bank has a Nomination & Remuneration Committee of the Board ('NRC') with the powers and the roles that are in accordance with Section 178 of the Companies Act and rules made thereunder, Regulation 19 of SEBI LODR and the circulars/ guidelines issued by the RBI in this regard, from time to time, which, *inter-alia*, deals with the matters relating to appointments on the Board and Senior Management, performance appraisal and compensation related matters of the Bank.

The NRC evaluates fit and proper criteria of persons who are qualified to become directors in accordance with the criteria laid down, recommends to the Board for their appointment and removal, and specifies the manner for effective evaluation of the performance of the Board, its Committees and individual directors. The NRC formulates the criteria for determining qualifications, positive attributes and independence of a director and recommends to the Board, a policy relating to the Compensation for the Directors, Key Managerial Personnel and Employees of the Bank. Criteria for performance evaluation for Independent Directors are provided in the Board's Report.

### Meetings of the NRC

As on March 31, 2024, the NRC comprised of three Directors, all three being Independent Directors, and chaired by Mr. Suhail Chander, an Independent Director. During FY 2023-24, the NRC met seven times, i.e., on May 16, 2023, May 24, 2023, September 09, 2023, November 20, 2023, February 08, 2024, March 06, 2024 and March 13, 2024.

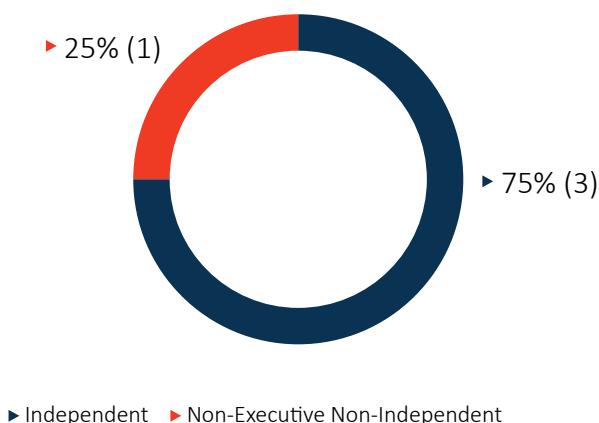
Mr. Suhail Chander, Chairman of the NRC, attended the last AGM of the Bank, held on August 18, 2023.

### Composition (as on March 31, 2024) and attendance – NRC

Name of Member	Category	Number of Meetings during the FY 2023-24 (Seven meetings)		% of Attendance	Gross Amount of Sitting Fees paid (Amt. in ₹)
		During Tenure	Attended		
Mr. Suhail Chander, Chairman	Independent	7	7	100	4,20,000
Dr. Allamraju Subramanya Ramasastri	Independent	7	7	100	4,20,000
Mr. Philip Mathew	Independent	7	7	100	4,20,000

**Note:** As on July 26, 2024, the NRC comprised of Mr. Suhail Chander (Chairman), Independent Director, Dr. Allamraju Subramanya Ramasastri, Independent Director, Mr. Philip Mathew, Independent Director and Mr. Pankaj Sood, Non-Executive Non-Independent Director.

### NRC Composition - (as on date)



### Succession Planning for the Board of directors and key officials of the Bank

The NRC and the Board periodically review succession planning and transitions at the Board and Senior Management levels. The NRC considers the composition of the Board and the profile, skill set, experience, expertise, functional capabilities, disqualifications, adherence to the regulator's fit and proper norms and other relevant information of the Directors before making appropriate recommendations to the Board with regard to their appointment/ re-appointment. This is designed to provide the Board with members who have diverse knowledge, practical experience and requisite set of skills to serve the business interests of the Bank and enhance the overall effectiveness of the Board. Wherever necessary, the NRC engages the services of an external consultant/ expert, to identify and assess the suitability of candidates for the post of director of your Bank. Succession planning at Senior Management levels, including business and assurance functions, is reviewed to ensure continuity and depth of leadership.

## Terms of reference

Terms of reference of the NRC is given below:

1. Formulating the criteria for determining qualifications, positive attributes and independence of a Director and recommending to the Board of Directors a policy, relating to the remuneration of the Directors, key managerial personnel and other employees;
2. Evaluating the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying appropriate candidates, the Committee may:
  - a. consider candidates from a wide range of backgrounds, having due regard to diversity;
  - b. consider the time commitments of the candidates; and
  - c. use the services of an external agencies, if required;
3. Formulating of criteria for evaluation of the performance of the Independent Directors and the Board of Directors;
4. Devising a policy on Board of Directors' diversity;
5. Identifying persons who qualify to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board of Directors their appointment and removal, and specifying the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
6. Determining whether to extend or continue the term of appointment of an Independent Director, on the basis of the report of performance evaluation of Independent Directors;
7. Analysing, monitoring and reviewing various human resource and compensation matters;
8. Determining the Bank's policy on remuneration and any compensation payment, for the Chief Executive Officer, the Executive Directors, key managerial personnel including pension rights and determination of remuneration packages of such personnel;
9. Determining compensation levels payable to senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component and in accordance with the remuneration policy approved by the Board of Directors;
10. Reviewing and approving compensation strategy from time to time in the context of the prevailing Indian market in accordance with applicable laws;
11. To report on the systems and on the amount of the annual remuneration of Directors and senior management;
12. Framing suitable policies and systems to ensure that there is no violation by an employee of any applicable laws in India or overseas, including:
  - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;
13. Performing such other activities as may be delegated by the Board of Directors and/ or specified/ provided under the Companies Act, 2013, together with the rules framed thereunder, as amended and to the extent notified, or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, or by any other regulatory authority;
14. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and decide their 'fit & proper' status;
15. To oversee the framing, review and implementation of compensation policy of the Bank and recommend to the Board the overall remuneration philosophy and policy including the level and structure of fixed pay, variable pay, perquisites, bonus pool, stock-based remuneration to employees;
16. To review the HR strategy and policy including the conduct and ethics of the employees and Directors of the Bank and review any fundamental change in the organisational structure, which could have wide ranging and high risk implications;
17. To review and recommend to the Board, the succession policy at the level of Managing Director & CEO, other Whole-time Directors, senior management one level below the Board and key roles; and
18. Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

## Risk Management Committee

Your Bank has a Risk Management Committee of the Board ('RMCB') with the power and roles that are in accordance with the circulars/ guidelines of the RBI on Risk Management Systems and Regulation 21 of the SEBI LODR. The functions of the RMCB, *inter-alia*, are to review the Bank's risk management framework and policies pertaining to credit, market, liquidity, operational and cybersecurity risks.

The Bank has laid down a procedure to inform the RMCB and the Board, on a periodic basis, about the identified risks and the steps taken to mitigate and minimise the same. The Bank has already



identified and assessed the major elements of risks, which may adversely affect the various divisions of the Bank. The RMCB reviews the identified risks, including assessment of the said risks and procedures, which are being implemented for monitoring, mitigating and minimising the said risks.

### Meetings of the RMCB

As on March 31, 2024, the RMCB comprised of five Directors including three Independent Directors and chaired by Mr. Santanu Mukherjee, an Independent Director. During FY 2023-24, RMCB met seven times, i.e., on June 13, 2023, September 12, 2023, September 26, 2023, November 21, 2023, February 15, 2024, March 08, 2024 and March 20, 2024. The RMCB meets on a quarterly basis.

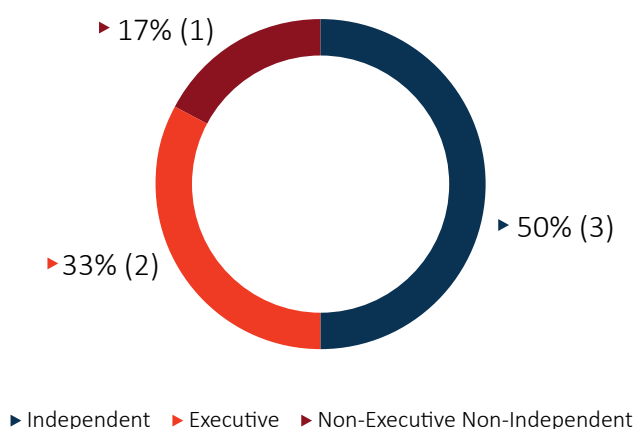
### Composition (as on March 31, 2024) and attendance – RMCB

Name of Member	Category	Number of Meetings during the FY 2023-24 (Seven meetings)		% of Attendance	Gross Amount of Sitting Fees paid (Amt. in ₹)
		During Tenure	Attended		
Mr. Santanu Mukherjee, Chairman	Independent	7	7	100	5,25,000
Dr. Allamraju Subramanya Ramasastri	Independent	7	7	100	5,25,000
Mr. Chandra Shekhar Ghosh	Executive	7	5	71.43	N.A.
Mr. Subrata Dutta Gupta	Independent	7	7	100	5,25,000
Mr. Ratan Kumar Kesh <sup>1</sup>	Executive	7	7	100	N.A.

<sup>1</sup>Appointed as a member of the RMCB, effective May 17, 2023.

**Note:** As on July 26, 2024, the RMCB comprised Mr. Santanu Mukherjee (Chairman), Independent Director, Dr. Allamraju Subramanya Ramasastri, Independent Director, Dr. Aparajita Mitra, Independent Director, Mr. Pankaj Sood, Non-Executive Non-Independent Director, Mr. Ratan Kumar Kesh, MD&CEO and Mr. Rajinder Kumar Babbar, ED&CBO.

### RMCB Composition - (as on date)



### Terms of reference

Terms of reference of the RMCB is given below:

- To oversee risk management function and obtain assurance from the respective committees and Risk Department that the risk faced by the Bank including cyber security related risks have been properly identified and are being appropriately managed;
- To define the risk appetite of the Bank within overall parameters set by the Board in terms of business strategy and growth;
- To ensure effectiveness in the conduct of the overall risk governance;
- To approve risk limits at the Bank-wide level for various portfolios such as product, industry, geography, risk types, etc.;
- To approve risk management and measurement policy/policies, framework, guidelines and procedures before submission to the Board which shall include:
  - A framework for identification of internal and external risks specifically faced by the Bank, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
  - Measures for risk mitigation including systems and processes for internal control of identified risks;
  - Business continuity plan;
  - Appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Bank;
  - Monitor and overseeing implementation of the risk management policy/ policies, including evaluating the adequacy of risk management systems;
  - Reviewing the risk management policy/ policies, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
- To ensure effectiveness and performance of risk rating system and associated processes and controls through pre-approval validation, periodical review or as a part of annual validation exercise;
- To oversee allocation and maintenance of sufficient resources (including IT support) for risk identification, measurement, monitoring and reporting;
- To approve risk capital computation and place it to the Board for approval;

9. To reinforce the culture and awareness of risk management throughout the organisation;
10. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken; and
11. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

### Corporate Social Responsibility and Sustainability Committee

Your Bank has a CSR and Sustainability Committee of the Board ('CSR&SCB') with the powers and roles that are in accordance with Section 135 of the Companies Act and rules made thereunder. The function of the CSR&SCB includes a review of CSR initiatives, undertaken by the Bank for inclusive growth, formulation and recommendation to the Board of a CSR Policy, indicating the activities to be undertaken by the Bank, and the amount of expenditure to be incurred on such activities. It also makes recommendations to the Board with respect to the CSR initiatives, annual action plan, policies and practices of the Bank, monitor CSR activities, implementation and compliance with the CSR Policy, and reviews and implements, if required, any other matter relating

to CSR initiatives as recommended/ suggested by any statutory or regulatory body. Further, the CSR&SCB is also vested with the responsibility of overseeing the implementation and reporting requirements of the Business Responsibility and Sustainability Reporting ('BRSR') Policies of the Bank and reviewing the BRSR of the Bank.

The CSR Policy of the Bank, duly aligned with the provisions of Section 135 of the Companies Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014, is available on the Bank's website at <https://bandhanbank.com/sites/default/files/2023-01/CSR-Policy-210123.pdf>.

The Report on CSR activities, including the details of the CSR programme and activities carried out by the Bank during FY 2023-24, is enclosed as **Annex – 1** to the Board's Report and is forming part of this Annual Report.

### Meetings of the CSR&SCB

As on March 31, 2024, the CSR&SCB comprised four Directors, including three Independent Directors and chaired by Mr. Subrata Dutta Gupta, an Independent Director. During FY 2023-24, the CSR&SCB met four times, i.e., on May 24, 2023, August 09, 2023, December 05, 2023 and March 06, 2024.

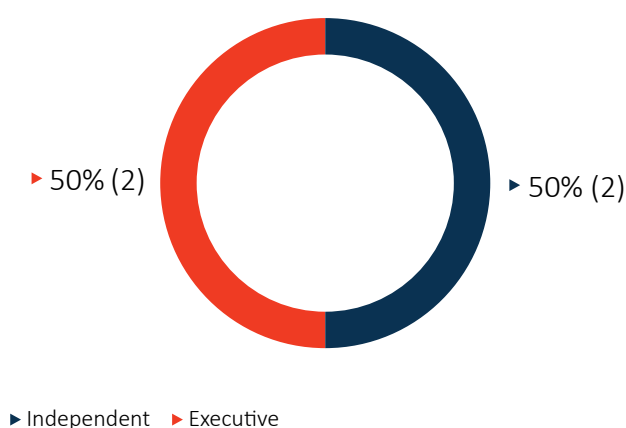
### Composition (as on March 31, 2024) and attendance – CSR&SCB

Name of Member	Category	Number of Meetings during the FY 2023-24 (Four meetings)		% of Attendance	Gross Amount of Sitting Fees paid (Amt. in ₹)
		During Tenure	Attended		
Mr. Subrata Dutta Gupta, Chairman	Independent	4	3	75	1,80,000
Mr. Chandra Shekhar Ghosh	Executive	4	4	100	N.A.
Mr. Vijay Nautamlal Bhatt	Independent	4	4	100	2,40,000
Dr. Aparajita Mitra <sup>1</sup>	Independent	4	4	100	2,40,000

<sup>1</sup> Appointed as a member of the CSR&SCB, effective May 17, 2023

**Note:** As on July 26, 2024, the CSR&SCB comprised Mr. Subrata Dutta Gupta (Chairman), Independent Director, Dr Aparajita Mitra, Independent Director, Mr. Ratan Kumar Kesh, MD&CEO and Mr. Rajinder Kumar Babbar, ED&CBO.

### CSR&SCB Composition - (as on date)



### Terms of reference

Terms of reference of the CSR&SCB is given below:

1. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Bank as per the Companies Act, 2013;
2. Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;
3. Identifying and appointing the corporate social responsibility team of the Bank including corporate social responsibility manager, wherever required;
4. Delegating responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
5. To review and recommend to the Board, the CSR Annual Action Plan, indicating the amount of expenditure to be

incurred on the activities to be undertaken by the Bank and the distribution of the same to various corporate social responsibility programmes undertaken by the Bank;

6. To monitor the CSR policy and Business Responsibility and Sustainability Reporting ('BRSR') related policies of the Bank from time to time;
7. To oversee the implementation of the BRSR related initiatives of the Bank;
8. To review and recommend to the Board, the Annual Report on CSR, BRSR Report and Integrated Report; and
9. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

### Information Technology (IT) Strategy Committee

Your Bank has an IT Strategy Committee of the Board ('ITSCB') with the power and roles that are in accordance with the circulars/guidelines issued by the RBI. It deals with the information

technology, information security, cybersecurity, etc., aspects of the Bank. It reviews and recommends the strategy and policy for IT related-matters to the Board, ensures that the IT strategy is aligned with the business strategy, reviews IT risks, ensures proper balance of IT investments for sustaining the Bank's growth, oversees the aggregate funding of IT at the Bank-level, ascertains if the management has adequate resources to ensure proper administration of IT risks and reviews the contribution of IT. During the year under review, the terms of reference of the ITSCB has been aligned with 'Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices' dated November 07, 2023 issued by RBI.

### Meetings of the ITSCB

As on March 31, 2024, the ITSCB comprised four Directors, including two Independent Directors and chaired by Dr. Allamraju Subramanya Ramasastry, Independent Director. During FY 2023-24, the ITSCB met nine times, i.e., on April 25, 2023, May 16, 2023, June 14, 2023, July 13, 2023, August 11, 2023, September 26, 2023, November 22, 2023, February 08, 2024 and March 07, 2024. ITSCB meets on a quarterly basis.

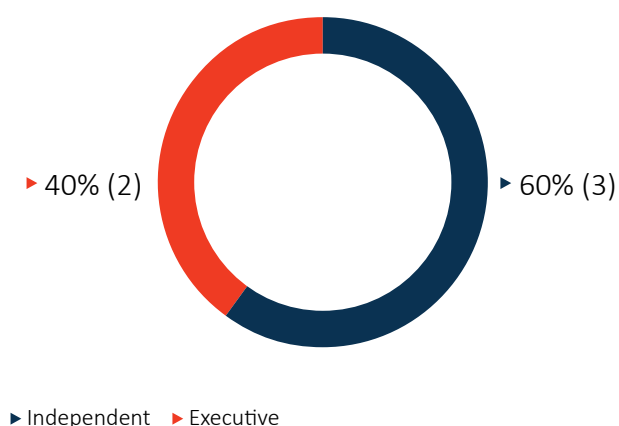
### Composition (as on March 31, 2024) and attendance – ITSCB

Name of Member	Category	Number of Meetings during the FY 2023-24 (Nine meetings)		% of Attendance	Gross Amount of Sitting Fees paid (Amt. in ₹)
		During Tenure	Attended		
Dr. Allamraju Subramanya Ramasastry, Chairman	Independent	9	9	100	5,40,000
Mr. Chandra Shekhar Ghosh	Executive	9	8	88.89	N.A.
Mr. Narayan Vasudeo Prabhutendulkar	Independent	9	9	100	5,40,000
Mr. Ratan Kumar Kesh <sup>1</sup>	Executive	7	7	100	N.A.

<sup>1</sup> Appointed as a member of the ITSCB, effective May 17, 2023.

**Note:** As on July 26, 2024, the ITSCB comprised Dr. Allamraju Subramanya Ramasastry (Chairman), Independent Director, Mr. Ratan Kumar Kesh, MD&CEO, Mr. Rajinder Kumar Babbar, ED&CBO, Mr. Santanu Mukherjee, Independent Director and Mr. Suhail Chander, Independent Director.

### ITSCB Composition - (as on date)



### Terms of reference

Terms of reference of the ITSCB is given below:

1. To recommend IT Strategy and Policy documents to the Board;
2. To ensure that the Bank has put an effective IT strategic planning process in place;
3. To guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of the Bank towards accomplishment of its business objectives;
4. To satisfy itself that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives and unambiguous responsibilities for each level in the Bank;
5. To ensure that the Bank has put in place, processes for assessing and managing IT and cybersecurity risks;

6. To ensure that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the Bank's IT maturity, digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives;
7. To review, at least on annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the Bank<sup>1</sup>;
8. To approve the minimal Recovery Time Objective ('RTO');
9. To review the assessment of IT capacity requirements and measures taken to address the issues;
10. To approve documented standards and procedures for administering need-based access to information system/assets;
11. To provide consultation to the Risk Management Committee of the Board for periodical review and update in IT related risks, including the Cyber Security related risks, in the risk management policy of the Bank;
12. To oversee the constitution and functioning of Information Security Committee of the Bank;
13. To review the cyber security risks/ arrangements/ preparedness of the Bank, as placed by the Chief Information Security Officer, at least on a quarterly basis;
14. The progress of achievement of digital transactions would be subsequently monitored by the IT Strategy Committee in all its meetings, i.e. it would be a permanent agenda for IT Strategy Committee; and
15. To review & monitor the mechanism of the digital transactions as follows:
  - a. Progress on implementation of new Digital Products;

- b. Number of Digital Transactions on existing digital channels;
- c. Increasing the number of Digital Transactions in existing digital channels.

<sup>1</sup> The reference to Business Continuity/ Disaster Recovery Management in this Master Direction is limited to operational resilience focusing on People, Processes and Systems associated with the IT, IS, information/ cyber security controls and operations.

### Customer Service Committee

Your Bank has a Customer Service Committee of the Board ('CSCB') with the power and roles that are in accordance with the Master Circular on Customer Service in Banks issued by the RBI. The functions of CSCB, *inter-alia*, include reviewing customer service initiatives, overseeing the functioning of grievance redressal mechanisms for customers, evolving innovative measures for enhancing the quality of customer service and improving the overall satisfaction level of customers of the Bank.

Enhanced disclosures on complaints received by the Bank from customers and from the Offices of Banking Ombudsman ('OBOs') and grievance redress as prescribed under Circular dated January 27, 2021 on Strengthening of Grievance Redress Mechanism in Banks issued by the RBI, are made available as part of Notes to the Financial Statement forming part of this Annual Report.

### Meetings of the CSCB

As on March 31, 2024, the CSCB comprised five Directors, including two Independent Directors, two Executive Directors and one Non-Independent Non-Executive Director, and chaired by Mr. Narayan Vasudeo Prabhutendulkar, Independent Director. During FY 2023-24, the CSCB met four times, i.e., on June 12, 2023, September 26, 2023, December 11, 2023 and March 06, 2024. CSCB meets on a quarterly basis.

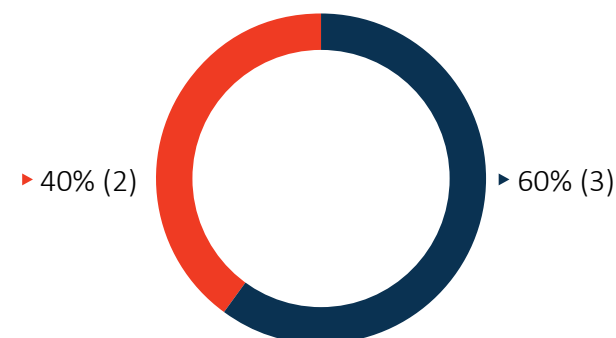
### Composition (as on March 31, 2024) and attendance – CSCB

Name of Member	Category	Number of Meetings during the FY 2023-24 (Four meetings)		% of Attendance	Gross Amount of Sitting Fees paid (Amt. in ₹)
		During Tenure	Attended		
Mr. Narayan Vasudeo Prabhutendulkar, Chairman	Independent	4	4	100	2,40,000
Mr. Chandra Shekhar Ghosh	Executive	4	4	100	N.A.
Ms. Divya Krishnan <sup>1</sup>	Non-Executive Non-Independent	4	4	100	2,40,000
Mr. Santanu Mukherjee	Independent	4	4	100	2,40,000
Mr. Ratan Kumar Kesh <sup>1</sup>	Executive	4	4	100	N.A.

<sup>1</sup> Appointed as members of the CSCB, effective May 17, 2023

**Note:** As on July 26, 2024, the CSCB comprised Mr. Narayan Vasudeo Prabhutendulkar (Chairman), Independent Director, Mr. Philip Mathew, Independent Director, Mr. Ratan Kumar Kesh, MD&CEO, Mr. Rajinder Kumar Babbar, ED&CBO and Mr. Vijay Nautamlal Bhatt, Independent Director.

### CSCB Composition - (as on date)



► Independent    ► Executive

### Terms of reference

Terms of reference of the CSCB is given below:

1. To formulate a comprehensive deposit policy;
2. To monitor product approval process with a view to suitability and appropriateness;
3. To conduct annual survey of depositor satisfaction;
4. To conduct triennial audit of such services;
5. To review Regulatory guidelines issued from time to time and formulate policy for their implementation;
6. To set up a grievance redressal mechanism for the Bank to handle customer complaints;
7. To monitor and follow up complaints/ grievances escalated to be resolved by Banking Ombudsmen of the various States;
8. To implement awards under the Banking Ombudsman Scheme;

9. To address issues of systemic deficiencies, if any, brought out by the awards;
10. To monitor awards remaining unimplemented for more than three months with the reasons (for a report to the Board) for such delays in implementation and for initiating necessary remedial action;
11. To review customer service/ customer care aspects in the Bank and submit a detailed memorandum in this regard to the Board of Directors, once every six months and initiate prompt corrective action wherever service quality/ skill gaps have been noticed;
12. To oversee and review/ modify the initiatives taken by Customer Service Committee of the branches and other departments; and
13. To address any other issues having a bearing on the quality of customer service rendered, such as examining reports on no. and nature of complaints received and status of resolution thereof, etc.

### Special Committee for Monitoring High Value Frauds

Your Bank has a Special Committee for Monitoring High Value Frauds ('SCMHVF') which was constituted as per Master Directions on Frauds issued by the RBI for commercial banks. The Committee is required to meet and review as and when a fraud involving an amount of ₹1 crore and above comes to light.

### Meetings of the SCMHVF

As on March 31, 2024, the SCMHVF comprised five Directors, including four Independent Directors and the Managing Director & CEO, and chaired by Mr. Suhail Chander, Independent Director. Two of the members of the Committee are also members of the Audit Committee of the Board. During FY 2023-24, the SCMHVF met once on August 09, 2023.

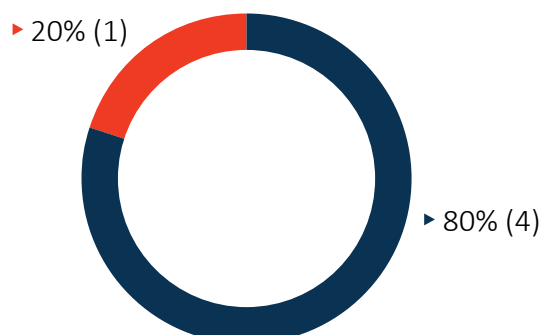
### Composition (as on March 31, 2024) and attendance – SCMHVF

Name of Member	Category	Number of Meetings during the FY 2023-24 (One meeting)		% of Attendance	Gross Amount of Sitting Fees paid (Amt. in ₹)
		During Tenure	Attended		
Mr. Suhail Chander, Chairman	Independent	1	1	100	60,000
Mr. Chandra Shekhar Ghosh	Executive	1	1	100	N.A.
Mr. Philip Mathew	Independent	1	1	100	60,000
Mr. Subrata Dutta Gupta	Independent	1	1	100	60,000
Mr. Vijay Nautamlal Bhatt	Independent	1	1	100	60,000

**Note:** As on July 26, 2024, the SCMHVF comprised of Mr. Suhail Chander (Chairman), Independent Director, Mr. Ratan Kumar Kesh, MD&CEO, Mr. Santanu Mukherjee, Independent Director, Mr. Subrata Dutta Gupta, Independent Director and Mr. Vijay Nautamlal Bhatt, Independent Director.



### SCMHVF Composition - (as on date)



► Independent    ► Executive

### Terms of reference

Terms of reference of the SCMHV is given below:

1. To identify the systematic lacunae if any that facilitated perpetration of the fraud and put in place measures to plug the same;
2. To identify the reasons for delay in detection, and/ or reporting to top management of the Bank and RBI, if any;
3. To monitor progress of investigation by law enforcing agencies and recovery position;
4. To ensure that staff accountability is examined at all levels in all the cases of frauds and staff side action, if required, is completed quickly without loss of time;

5. To review the efficacy of the remedial action taken to prevent recurrence of frauds, such as strengthening of internal controls; and
6. To put in place other measures as may be considered relevant to strengthen preventive measures against frauds.

### Stakeholders' Relationship Committee

Your Bank has a Stakeholders' Relationship Committee of the Board ('SRCB') with the power and roles that are in accordance with the provisions of Section 178(5) of the Companies Act and Regulation 20 of the SEBI LODR, to specifically look into various matters relating to Shareholders, including the transfer and transmission of shares, issue of share certificates (including the issue of renewed or duplicate share certificates/ Letter of Confirmation), claims of unclaimed dividend and shares lying in the suspense account as well as with the IEPF Authority, non-receipt of Annual Report and so on. Additionally, the Committee also looks into other issues, such as, the status of dematerialisation of shares as well as systems and procedures followed to track investors' complaints and suggests measures for improvement, from time to time, and the matters related to unsecured debentures issued by the Bank.

### Meetings of the SRCB

As on March 31, 2024, the SRCB comprised four Directors, including three Independent Directors and chaired by Mr. Narayan Vasudeo Prabhutendulkar, Independent Director. During FY 2023-24, the SRCB met four times, i.e., on June 13, 2023, September 26, 2023, December 11, 2023 and March 08, 2024. The SRCB meets on a quarterly basis. Mr. Indranil Banerjee is the Company Secretary and Compliance Officer of the Bank in terms of the SEBI LODR.

Mr. Narayan Vasudeo Prabhutendulkar, Chairman of the SRCB, attended the last AGM of the Bank held on August 18, 2023.

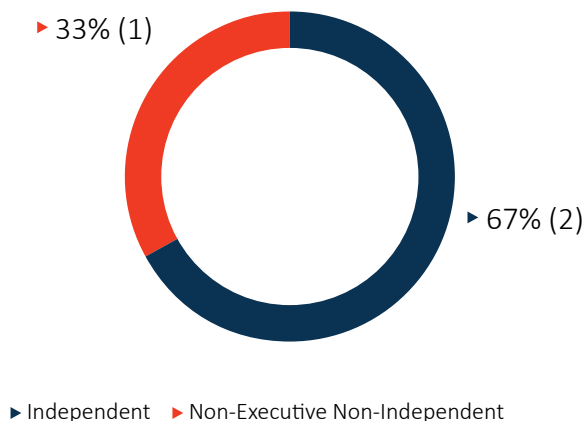
### Composition (as on March 31, 2024) and attendance – SRCB

Name of Member	Category	Number of Meetings during the FY 2023-24 (Four meetings)		% of Attendance	Gross Amount of Sitting Fees paid (Amt. in ₹)
		During Tenure	Attended		
Mr. Narayan Vasudeo Prabhutendulkar, Chairman	Independent	4	4	100	2,40,000
Ms. Divya Krishnan	Non-Executive Non-Independent	4	3	75	1,80,000
Mr. Philip Mathew	Independent	4	4	100	2,40,000
Dr. Aparajita Mitra <sup>1</sup>	Independent	4	4	100	2,40,000

<sup>1</sup> Appointed as a member of the SRCB effective May 17, 2023

**Note:** As on July 26, 2024, the SRCB comprised Ms. Divya Krishnan (Chairperson), Non-Executive Non-Independent Director, Dr. Anup Kumar Sinha, Independent Director and Dr. Aparajita Mitra, Independent Director.

## SRCB Composition - (as on date)



## Terms of reference

Terms of reference of the SRCB is given below:

- Review the mechanism adopted for redressing the grievance of shareholders, debenture holders and deposit holders and other security holders and the status of such redressal;
- Considering and resolving the grievances of the security holders of the Bank including complaints related to transfer/ transmission of shares, non-receipt of the annual report, non-receipt of declared dividends, general meetings, etc.;
- Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- Issuing duplicate certificates and new certificates on split/ consolidation/renewal;
- Dematerialisation/ rematerialisation of shares;
- Transfer/ transmission of shares and their redressal;
- Monitoring and supervision of the Registrar and Transfer Agent (RTA) and review of adherence to the service standards adopted by the Bank in respect of various services being rendered by the RTA;
- Review of the activities of the services provided to the security holders relating to the various services rendered by the Secretarial Department, Investor Services Department, various initiatives taken to *inter-alia* to reduce quantum of unclaimed dividends, status of claims received, ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Bank and process for unclaimed shares, uploading of data relating to unclaimed dividends on the website of Investor Education & Protection Fund and the Bank;
- Review the Action Taken Report in respect of recommendations made by the Committee;
- Review the status of the litigation(s) filed by/ against the security holders of the Bank;
- Review the mechanism adopted to review, monitor and report transactions relating to securities which may be suspicious from a money-laundering perspective;
- The Committee shall perform such other functions as may be required under the relevant provisions of the Companies Act, 2013, the Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, relating to Corporate Governance, as amended from time to time; and
- Review of measures taken for effective exercise of voting rights by shareholders.

## Status of Shareholders' Complaints as on March 31, 2024

Particulars	Total
Number of Shareholders' complaints pending at the beginning of the year	3
Number of Shareholders' complaints received during the year	201
Number of Shareholders' complaints disposed of during the year	201
Number of Shareholders' complaints unresolved at the end of the year	3*

\*closed on April 01, 2024

Above three investor complaints pending as of March 31, 2024, on SCORES, were duly resolved on April 01, 2024. There was no complaint pending against the Bank on the online dispute resolution (ODR) portal as on March 31, 2024.

Pursuant to the authorisation by the Board and/ or the SRCB, the Company Secretary is authorised to approve Transmission/ Subdivision/ Consolidation/ Renewal/ Issue of Duplicate Share Certificate(s)/ Deletion of Name(s) and Dematerialisation of shares of the Bank. A summary of transfer/ transmission, etc., of securities of the Bank so approved by the Company Secretary along with details of issuance of Letter of Confirmation/ Entitlement Letter issued, are placed at the SRCB meeting. A certificate from a Practicing Company Secretary is obtained on an annual basis, as per the provisions of sub-regulations (9) & (10) of Regulation 40 of the SEBI LODR, certifying that all certificates have been issued within prescribed timelines of the date of lodgement for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/ allotment monies and the same is also filed with the Stock Exchanges.

As an ongoing measure to enhance the ease of dealing in the securities market by investors, the SEBI has issued various circulars in recent times. One such circular no. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated the listed entities to issue securities in dematerialised form only while processing specified service requests made by the physical security holders. The circular specifies the manner in which such requests are required to be entertained by the listed entities and the manner in which the dematerialisation of securities is to be completed. The Bank encourages the shareholders to hold the shares in dematerialised mode and necessary details about this are provided on the website of the Bank.

Further, in compliance with Regulation 7(2) & 7(3) of the SEBI LODR, a Compliance Certificate is filed with the Stock Exchanges where the shares of the Bank are listed. The said certificate is duly signed by both the Company Secretary & Compliance Officer of the Bank and the authorised representative of the Share Transfer Agent, on an annual basis, certifying that all activities relating to share transfer facility of the Bank are maintained by KFin Technologies Limited, Registrars and Share Transfer Agent ('RTA') of the Bank.

## Committee of Directors

The Committee of Directors ('COD') is a Board constituted committee that considers and sanctions loan proposals exceeding ₹175 crore and upto ₹900 crore for single borrower (20% of tier I capital for group borrower) for all Business Segments, and handles any other matter of importance as may be decided by the Board of Directors, from time to time, including borrowing of funds for the Bank, issue of securities related matters, review of deposits and liquidity position of the Bank.

## Meetings of the Committee of Directors

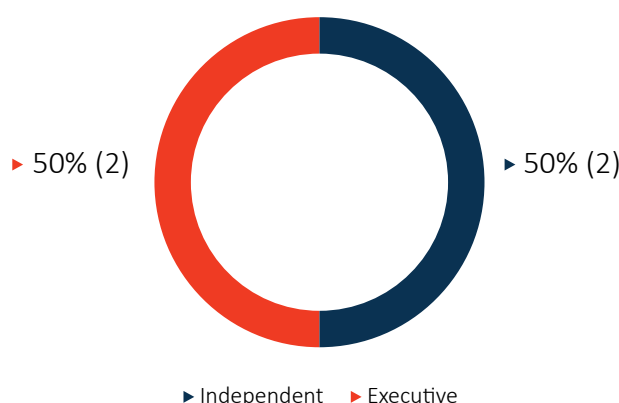
As on March 31, 2024, the COD comprised four Directors, including three Independent Directors and chaired by the Managing Director & CEO. During FY 2023-24, the COD met twenty-two times, i.e., on April 21, 2023, May 11, 2023, June 12, 2023, June 26, 2023, July 15, 2023, August 11, 2023, August 25, 2023, September 11, 2023, September 21, 2023, September 27, 2023, October 10, 2023, November 22, 2023, December 07, 2023, December 18, 2023, December 22, 2023, December 27, 2023, January 17, 2024, February 12, 2024, February 15, 2024, February 29, 2024, March 21, 2024 and March 25, 2024.

## Composition (as on March 31, 2024) and attendance – COD

Name of Member	Category	Number of Meetings during the FY 2023-24 (Twenty two meetings)		% of Attendance	Gross Amount of Sitting Fees paid (Amt. in ₹)
		During Tenure	Attended		
Mr. Chandra Shekhar Ghosh, Chairman	Executive	22	22	100	NA
Mr. Santanu Mukherjee	Independent	22	22	100	13,20,000
Mr. Suhail Chander	Independent	22	22	100	13,20,000
Mr. Subrata Dutta Gupta	Independent	22	22	100	13,20,000

**Note:** As on July 26, 2024, the COD comprised Mr. Ratan Kumar Kesh (Chairman), MD&CEO, Dr. Anup Kumar Sinha, Independent Director, Mr. Rajinder Kumar Babbar, ED&CBO and Mr. Suhail Chander, Independent Director.

## COD Composition - (as on date)



## Annual General Meetings

Details of Annual General Meetings for the previous three (3) financial years are as under:

Sl. No.	Particulars of meeting	Location	Date & Time	Special Resolutions passed, if any
1.	9 <sup>th</sup> Annual General Meeting	14 <sup>th</sup> Floor, Adventz Infinity@5, BN-5, Sector V, Salt Lake City, Kolkata – 700091 (through VC)	August 18, 2023 at 11:00 A.M. (IST)	Two Special Resolutions were passed
2.	8 <sup>th</sup> Annual General Meeting	14 <sup>th</sup> Floor, Adventz Infinity@5, BN-5, Sector V, Salt Lake City, Kolkata – 700091 (through VC)	August 10, 2022 at 11:00 A.M. (IST)	Four Special Resolutions were passed
3.	7 <sup>th</sup> Annual General Meeting	14 <sup>th</sup> Floor, Adventz Infinity@5, BN-5, Sector V, Salt Lake City, Kolkata – 700091 (through VC)	August 06, 2021 at 11:00 A.M. (IST)	Three Special Resolutions were passed

## Postal Ballot

During the financial year under review, the Bank had sought approval of its Members, for the following resolutions, vide Postal Ballot, through electronic voting ('remote e-voting'):

Sr. No.	Date of Postal Ballot Notice	Item of Business	Type of Resolution	% of the total number of valid votes cast, in favour	% of total number of valid votes cast, against	Result
1	May 19, 2023	Appointment of Mr. Ratan Kumar Kesh (DIN: 10082714) as a Director of the Bank	Ordinary Resolution	99.974	0.026	Passed with requisite majority on June 22, 2023, i.e., the last date of e-voting
2		Appointment of Mr. Ratan Kumar Kesh (DIN: 10082714) as a Whole-time Director, designated as Executive Director and Key Managerial Personnel of the Bank, including remuneration	Ordinary Resolution	99.346	0.654	
3	March 19, 2024	Appointment of Mr. Pankaj Sood (DIN: 05185378) as a Non-Executive Non-Independent Director (Nominee of Caladium Investment Pte. Ltd.)	Ordinary Resolution	99.515	0.485	Passed with requisite majority on April 21, 2024, i.e., the last date of e-voting
4		Appointment of Mr. Rajinder Kumar Babbar (DIN: 10540386) as a Director of the Bank	Ordinary Resolution	99.553	0.447	
5		Appointment of Mr. Rajinder Kumar Babbar (DIN: 10540386) as a Whole-time Director, designated as Executive Director and Key Managerial Personnel of the Bank, including remuneration	Ordinary Resolution	99.032	0.968	

## Procedure for Postal ballot:

In compliance with the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, read with Rule 22 of the Companies (Management and Administration) Rules, 2014, Regulation 44 and other applicable provisions, if any, of the SEBI LODR, the Secretarial Standard on General Meetings ('SS-2') issued by the Institute of Company Secretaries of India, guidelines prescribed by the Ministry of Corporate Affairs (the 'MCA') for holding general meetings/ conducting postal ballot process through electronic voting only vide various General Circulars, including General Circular Nos. 11/2022 dated December 28, 2022 and 09/2023 dated September 25, 2023, as applicable (the 'MCA Circulars') and any other applicable laws and regulations, the Bank had sent the Postal Ballot Notices, as aforesaid, along with the Explanatory Statements thereto, to the Members of the Bank, whose names appeared in the Register of Members/ list of Beneficial Owners as received from the Depositories as on Cut-off Date(s), and whose e-mail IDs were registered with the Bank/ the Registrar and Share Transfer Agent ('RTA') [in respect of

shares held in physical form] or with the Depositories/ Depository Participants [in respect of shares held in dematerialised form], for obtaining the consent of the Members to the aforesaid item of businesses, via Ordinary Resolution(s), by electronic means only. The Cut-off date for the notice dated May 19, 2023 was Friday, May 19, 2023 and for the notice dated March 19, 2024, the Cut-off date was Friday, March 15, 2024.

The Bank had engaged the services of KFin Technologies Limited ('KFin'), the RTA of the Bank, as the agency for facilitating remote e-voting. For Postal Ballot conducted vide notice dated May 19, 2023, the Board had appointed M/s Anjan Kumar Roy & Co, Practicing Company Secretary (FCS No.: 5684/ CP No.: 4557) failing them, CS Sandip Paul, Practicing Company Secretary (ACS No.: 60607/ CP No.: 22688) as the Scrutiniser to ensure that the Postal Ballot (via remote e-voting) process is conducted in a fair and transparent manner. The remote e-voting period commenced on Wednesday, May 24, 2023 at 9:00 A.M. (IST) and ended on Thursday, June 22, 2023 at 5:00 P.M. (IST).

For Postal Ballot conducted vide notice dated March 19, 2024, the Board had appointed CS Hansraj Jaria, Practicing Company Secretary (FCS No.: 7703/ CP No.: 19394) failing him, CS Rakesh Agrawal, Practicing Company Secretary (FCS No.: 8792/ CP No.: 9014) as the Scrutiniser to ensure that the Postal Ballot (via remote e-voting) process is conducted in a fair and transparent manner. The remote e-voting period commenced on Saturday, March 23, 2024 at 9.00 A.M. (IST) and ended on Sunday, April 21, 2024 at 5.00 P.M. (IST).

Upon completion of the scrutiny of votes cast by Postal Ballot (via remote e-voting), the Scrutinizers submitted their Reports to the Chairman who countersigned the same and declared the Results of the Postal Ballots. The Results of the Postal Ballots, along with the Scrutinizers' Report, were made available on the website of the Bank and KFin, the remote e-voting service provider, and were also displayed on the Notice Boards of the Bank at its Registered Office and Head Office. The Results of the Postal Ballots were simultaneously communicated to all the Stock Exchanges where the equity shares of the Bank are listed.

None of the businesses proposed to be transacted at the ensuing AGM of the Bank require passing a resolution through Postal Ballot.

## Other Disclosures

### Management Discussion & Analysis Report

The Management Discussion & Analysis Report, giving an overview of the industry, the Bank's business and its financials, is provided separately as **Annex - 5** to the Board's Report and forms part of this Annual Report.

### Disclosure on Material Subsidiary

The Bank does not have a subsidiary, at present. Therefore, the requirement to formulate a policy for determining 'material' subsidiary does not apply to the Bank.

### Commodity Price Risk, Foreign Exchange Risk and Hedging Activities

Your Bank has not traded in any commodity. The Bank has limited foreign currency liability with regard to its FCNR(B) portfolio, however, the Bank does not have foreign currency bonds, bilateral or syndicated loans liability. Your Bank has a Board approved Market Risk Policy which defines a risk control framework for undertaking any foreign exchange transaction. The Board approved Market Risk Policy of your Bank has defined an overall Net Overnight Open Position (NOOP) Limit, Stop Loss Limit, Aggregate Gap Limit (AGL), Value at Risk (VaR) Limit to control the foreign exchange risk within its risk control framework.

### Accounting Treatment

The Financial Statement has been prepared under the historical cost convention and on the accrual basis of accounting, unless otherwise stated and in compliance with the requirements prescribed under the Third Schedule (Form A and Form B) of the BR Act. The accounting and reporting policies of your Bank used in the preparation of the Financial Statement conform to Generally Accepted Accounting Principles in India ('Indian GAAP'),

the guidelines issued by RBI, from time to time, the accounting standards notified under Section 133 and other relevant provisions of the Companies Act, read together with the Companies (Accounting Standards) Rules, 2021, as amended from time to time, to the extent applicable, and practices generally prevalent in the banking industry in India.

### Indian Accounting Standard (IND AS) implementation

RBI had issued a circular in February 2016 requiring banks to implement the Indian Accounting Standards ('Ind AS') and prepare Ind AS financial statement with effect from April 01, 2018.

Further, as advised by the RBI, the Bank has also been submitting Proforma IndAS Financial Statements, every half year, to the RBI.

However, RBI in its press release issued on March 22, 2019 has deferred the applicability of Ind AS till further notice for Scheduled Commercial Banks.

Your Bank has made a diagnostic study to identify the gaps, process and system changes required to implement Ind AS and is in the process of implementing necessary changes in its IT system and other processes. The Bank is regularly holding workshops and training for its staff.

### Related Party Transactions

During the year under review, there were no materially significant transactions with related parties, which could lead to a potential conflict of interest between the Bank and these parties. Related Party Transactions that were entered into during the financial year 2023-24 were on an arm's length basis and were in the ordinary course of the Bank's business. Approval of Members of the Bank has been obtained at 9<sup>th</sup> AGM held on August 18, 2023, for material related party transactions with promoter/ promoter group entities of the Bank, in terms of Regulation 23 of the SEBI LODR. Further details are provided in the Board's Report. Weblink for your Bank's Policy on dealing with Related Party Transactions is <https://www.bandhanbank.com/pdfViewerJS/index.html#.../sites/default/files/2022-09/Policy-on-Dealing-with-Related-Party-Transactions.pdf>.

### Penalties and Strictures for last three financial years

With regard to the matters related to the capital market, there was no non-compliance neither penalties nor strictures imposed on your Bank by the Stock Exchanges and/ or the SEBI and/ or any other statutory authorities during the last three financial years.

### Whistle Blower Policy & Vigilance Policy

The Bank had adopted the Board approved Vigilance Policy and Whistle Blower Policy, as required under Section 177 of the Companies Act, Regulation 22 of the SEBI LODR and applicable circulars issued by RBI, in this regard. The said Policies are available on the Bank's website at <https://bandhanbank.com/pdfViewerJS/index.html#.../sites/default/files/2023-12/Whistle-Blower-Policy-141223.pdf> and <https://bandhanbank.com/pdfViewerJS/index.html#.../sites/default/files/2023-12/Vigilance-Policy-141223.pdf>. Further details on the Whistle Blower Mechanism are provided in the Board's Report.



## Code of Conduct

Your Bank has in place a Code of Conduct for Directors and also a Code of Conduct for its Senior Management, which are approved by the Board. The Code of Conduct for Senior Management attempts to set forth the guiding principles on which your Bank shall operate and, conduct its daily business with its multitudinous stakeholders, viz., shareholders, customers, employees, and regulators. This Code is available on the Bank's website at <https://bandhanbank.com/sites/default/files/2020-12/Code-Conduct-for-Senior-Management.pdf>. The Code of Conduct for Directors also contains a reference to the duties of the Independent Directors as laid down in Schedule IV of the Companies Act. This Code is also available on the Bank's website at <https://bandhanbank.com/sites/default/files/2020-12/Code-Conduct-for-Directors.pdf>. As required under Regulation 26(3) of the SEBI LODR, all Directors and Senior Management personnel have affirmed compliance with the Code of Conduct, as approved and adopted by the Board, for the financial year ended March 31, 2024.

Declaration, as required under Para D of Schedule V to the SEBI LODR, with respect to the financial year ended March 31, 2024, duly signed by the Managing Director & CEO, is annexed to this Report.

## Policy on the Preservation of Documents

In accordance with Regulation 9 of the SEBI LODR, your Bank has in place a Policy on the Preservation of Documents, which has been approved by the Board of Directors of the Bank. This Policy is intended to guide your Bank and its officers on the maintenance of documents, their preservation and disposal. The Policy has been reviewed by the Board without any changes, during the financial year under review, as part of annual review process. The said policy can be accessed on the Bank's website at <https://www.bandhanbank.com/sites/default/files/2024-06/Policy-on-Preservation-of-Documents-FY-23-24.pdf>.

## Policy for Determination of Material Event/ Information and Archival Policy

In accordance with Regulation 30 of the SEBI LODR, your Bank has in place a Policy for Determination of Material Events/ Information, which provides guidance to the Board, management and staff on the assessment of the materiality of events/ information, which will have bearing on the performance/ operations of your Bank. The Policy has been reviewed and amended by the Board, during the financial year under review, primarily, to align it with the amendments to the SEBI LODR. The Policy is available on the Bank's website at <https://bandhanbank.com/pdfViewerJS/index.html#./sites/default/files/2023-12/Materiality-Policy-13122023.pdf>. Further, your Bank has a Board approved Archival Policy in line with the requirements of the SEBI LODR to ensure that information relating to your Bank is adequately disclosed on its website as required by law. The Policy has been reviewed by the Board, during the financial year under review, as part of annual review process and certain changes made to bring more clarity in certain clauses. The Policy is available on the Bank's website at <https://bandhanbank.com/pdfViewerJS/index.html#./sites/default/files/2023-12/Archival-Policy-141223.pdf>.

## Code of Conduct for Prevention of Insider Trading

Your Bank has in place a Code of Conduct for Prevention of Insider Trading in the securities ('PIT Code'), adopted in line with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 ('PIT Regulations'). The PIT Code, inter-alia, prohibits trading in the securities of your Bank or any securities forming part of grey list securities by insiders, while in possession of any Unpublished Price Sensitive Information ('UPSI') in relation to such securities/entities. Your Bank has also adopted a Board approved Code of Practices and Procedures for Fair Disclosure of UPSI, which is available on the website of the Bank at [https://bandhanbank.com/sites/default/files/2022-12/Final-Fair-disclosure-CCIT\\_1.pdf](https://bandhanbank.com/sites/default/files/2022-12/Final-Fair-disclosure-CCIT_1.pdf). The Board reviews the PIT Code on an annual basis and whenever required. The PIT Code has been reviewed by the ACB and the Board, as part of annual review process, during the financial year under review and certain changes are made therein in order to provide more clarity in certain clauses. The Company Secretary of your Bank acts as the 'Compliance Officer' in terms of the PIT Code and PIT Regulations, and is responsible for implementation and overseeing compliance with the PIT Code across the Bank. Cases of violations observed during the financial year were submitted to the Disciplinary Committee of the Bank and accordingly, the intimation, with regard to the action taken by your Bank, along with the details of the penalty amount remitted to the Investor Protection and Education Fund maintained by the SEBI, were submitted to the Stock Exchanges from time to time. Your Bank has also undertaken various initiatives during the financial year to spread awareness amongst the employees of your Bank about the provisions of the PIT Code and PIT Regulations. Your Bank has automated the process for submission of declarations and disclosures by designated persons electronically through software. Further, your Bank has maintained the Structured Digital Database ('SDD') internally with adequate internal controls, in compliance with the provisions of Regulation 3(5) of the PIT Regulations. The report on the compliance with the PIT Code is also submitted to the ACB/ Board periodically.

## Dividend Distribution Policy

In accordance with Regulation 43A of the SEBI LODR, your Bank has adopted the Dividend Distribution Policy, which outlines various parameters based on which the Board may recommend or declare Dividend, in accordance with the provisions of applicable laws. The details of the same are provided in the Board's Report.

## Directors and Officers Insurance (D & O Policy)

Your Bank has in place a Directors and Officers Liability Policy (D&O Policy) for all its Directors, with the quantum and risks determined by its Board of Directors. The Policy covers management liability, company securities, investigation cost, Non-Executive Directors' protection, investigation, extradition, outside directorship, bodily injury and property damage defence costs, assets and liberty, etc.

## Complaints pertaining to Sexual Harassment

The details of complaints filed and disposed of during the financial year as well as pending cases pertaining to sexual harassment are provided in the Board's Report.

### Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the SEBI LODR

During the financial year under review, your Bank has not raised any fund through Preferential Allotment or Qualified Institutions Placement as specified under Regulation 32(7A) of the SEBI LODR.

### Compliance with Mandatory Requirements

Your Bank has complied with all the applicable mandatory requirements of Corporate Governance as prescribed under the SEBI LODR.

### Tentative calendar of Board Meetings for the financial year ending March 31, 2025

The tentative calendar of the meetings of the Board of Directors for the consideration of quarterly/ annual financial results for the financial year ending on March 31, 2025 are as follows:

Quarter/Year	Tentative calendar of Board Meetings
First quarter ending on June 30, 2024	Within 45 days from the end of quarter
Second quarter ending on September 30, 2024	Within 45 days from the end of quarter
Third quarter ending on December 31, 2024	Within 45 days from the end of quarter
Fourth quarter and year ending on March 31, 2025	Within 60 days from the end of quarter/ year

### Compliance with Non-Mandatory Requirements

#### a) The Board

The expenses pertaining to the office of the Non-Executive Chairman is maintained by the Bank, along with the reimbursement of all the expenses incurred by the Non-Executive Chairman while performing his duties.

#### b) Shareholder Rights

Your Bank publishes its financial results every quarter on its website at [www.bandhanbank.com](http://www.bandhanbank.com), which is accessible to the public at large. The same is also available on the websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited. Along with the quarterly results, detailed earnings updates are also hosted on the website of the Bank. Further, a quarterly investors'/ analysts' conference call is made to discuss the financial results and performance of the Bank, the audio recording and transcripts of which are hosted on the website of the Bank as well as stock exchanges. The Bank's results for each quarter are published in English newspaper having nationwide circulation and in Bengali newspaper (viz., Financial Express and Bartaman), whereas

the financial highlights are also published in English as well as Bengali newspaper (viz., The Economic Times, Mint, Business Standard, The Hindu Business Line, The Hindu, Ananda Bazar Patrika, Ei Samay, Aajkaal, Dainik Statesman, Arthik Lipi, etc.). The quarterly results of the Bank are sent to the shareholders through email.

#### c) Modified Opinion(s) in Audit Report

The Independent Audit Report issued by the Joint Statutory Auditors of your Bank on the financial statement for the financial year ended March 31, 2024, is with unmodified audit opinion. The Bank continues to adopt the best practices to ensure a regime of financial statement with unmodified audit opinion.

#### d) Separate posts of Chairperson and the Managing Director or the Chief Executive Officer

Your Bank has separate offices for the Non-Executive Chairman and the Managing Director & CEO. The Non-Executive Chairman of your Bank is not related to any directors of your Bank including the MD & CEO.

#### e) Reporting of Internal Auditor

The Reporting of the Chief Audit Executive of the Bank is as per the extant RBI Circular.

### Means of Communication

The Board of your Bank has been approving the quarterly financial results well within the stipulated time of 45 days from the end of respective quarters and the audited annual financial results for the quarter and year ending on March 31 within 60 days from the end of the financial year. The financial results are promptly submitted to the stock exchanges and are published in English and Bengali (regional language) newspapers (viz., Financial Express and Bartaman), within 48 hours of the conclusion of the respective Board meetings at which such financial results are approved. The financial results, as well as press release, are simultaneously hosted on the Bank's website accessible at <https://bandhanbank.com/quarterly-report>. Earnings calls with analysts and their transcripts are also published on the website at <https://bandhanbank.com/corporate-governance#rctabtwofour>. The Bank also shares the highlights of quarterly financial results with all shareholders whose email IDs are registered with the Bank. The Bank's website also displays all disclosures made to stock exchanges by your Bank, along with the earnings updates and presentations made to investors and analysts.

## Corporate Policies

Sl. No.	Name of the Policy	Brief Description	Web link
1	Policy on Appointment and Fit & Proper Criteria for Directors	Your Bank has adopted the policy for appointment of Directors on the Board considering their fit and proper criteria, including special knowledge or practical experience required for banking business.	<a href="https://bandhanbank.com/pdfViewerJS/index.html#../sites/default/files/2023-12/Policy-on-Appointment-and-Fit%20-Proper-Criteria-for-Directors-website-131223.pdf">https://bandhanbank.com/pdfViewerJS/index.html#../sites/default/files/2023-12/Policy-on-Appointment-and-Fit%20-Proper-Criteria-for-Directors-website-131223.pdf</a>
2	Vigilance Policy	Your Bank has adopted Vigilance Policy for monitoring of concerns about unethical behavior, actual or suspected fraud.	<a href="https://bandhanbank.com/pdfViewerJS/index.html#../sites/default/files/2023-12/Vigilance-Policy-141223.pdf">https://bandhanbank.com/pdfViewerJS/index.html#../sites/default/files/2023-12/Vigilance-Policy-141223.pdf</a>
3	Whistle Blower Policy	Your Bank has adopted whistle blower mechanism for Directors and employees to report concerns about unethical behavior, actual or suspected fraud.	<a href="https://bandhanbank.com/pdfViewerJS/index.html#../sites/default/files/2023-12/Whistle-Blower-Policy-141223.pdf">https://bandhanbank.com/pdfViewerJS/index.html#../sites/default/files/2023-12/Whistle-Blower-Policy-141223.pdf</a>
4	Policy on dealing with Related Party Transactions	This Policy regulates all transactions between the Bank and its related parties.	<a href="https://bandhanbank.com/pdfViewerJS/index.html#../sites/default/files/2022-09/Policy-on-Dealing-with-Related-Party-Transactions.pdf">https://bandhanbank.com/pdfViewerJS/index.html#../sites/default/files/2022-09/Policy-on-Dealing-with-Related-Party-Transactions.pdf</a>
5	Policy for Determination of Material Event/ Information	This Policy applies to the determination and disclosure of material information/ events for your Bank.	<a href="https://bandhanbank.com/pdfViewerJS/index.html#../sites/default/files/2023-12/Materiality-Policy-13122023.pdf">https://bandhanbank.com/pdfViewerJS/index.html#../sites/default/files/2023-12/Materiality-Policy-13122023.pdf</a>
6	Dividend Distribution Policy	Your Bank has adopted the Dividend Distribution Policy to determine the distribution of dividends in accordance with the provisions of circulars issued by RBI, from time to time, and applicable laws.	<a href="https://bandhanbank.com/pdfViewerJS/index.html#../sites/default/files/2022-09/Dividend-Distribution-Policy.pdf">https://bandhanbank.com/pdfViewerJS/index.html#../sites/default/files/2022-09/Dividend-Distribution-Policy.pdf</a>
7	CSR Policy	This Policy outlines your Bank's strategy to bring about a positive impact on society through programmes relating to skill development, poverty alleviation, education, healthcare, sanitation, water conservation, afforestation, etc.	<a href="https://bandhanbank.com/sites/default/files/2023-01/CSR-Policy-210123.pdf">https://bandhanbank.com/sites/default/files/2023-01/CSR-Policy-210123.pdf</a>
8	Compensation Policy	This Policy formulates the criteria for determining the remuneration of the Directors, KMP and Employees of the Bank.	<a href="https://bandhanbank.com/pdfViewerJS/index.html#../sites/default/files/2024-07/Compensation-Policy-20072024.pdf">https://bandhanbank.com/pdfViewerJS/index.html#../sites/default/files/2024-07/Compensation-Policy-20072024.pdf</a>
9	Policy on Preservation of Documents	This Policy formulates categories of documents to be preserved as per regulatory requirements.	<a href="https://www.bandhanbank.com/sites/default/files/2024-06/Policy-on-Preservation-of-Documents-FY-23-24.pdf">https://www.bandhanbank.com/sites/default/files/2024-06/Policy-on-Preservation-of-Documents-FY-23-24.pdf</a>
10	Archival Policy	This Policy deals with the disclosure and archival of disclosure of material events/ information on the website of your Bank.	<a href="https://bandhanbank.com/pdfViewerJS/index.html#../sites/default/files/2023-12/Archival-Policy-141223.pdf">https://bandhanbank.com/pdfViewerJS/index.html#../sites/default/files/2023-12/Archival-Policy-141223.pdf</a>
11	Business Responsibility and Sustainability Reporting Policies	The BRSR Policy has been framed by your Bank based on the National Guidelines for Responsible Business Conduct (NGRBC), which aims to establish links between the financial results of a business with its ESG performance.	<a href="https://www.bandhanbank.com/pdfViewerJS/index.html#../sites/default/files/2023-01/Business-Responsibility-and-Sustainability-Reporting-policy-210123.pdf">https://www.bandhanbank.com/pdfViewerJS/index.html#../sites/default/files/2023-01/Business-Responsibility-and-Sustainability-Reporting-policy-210123.pdf</a>

The Board has been reviewing the above policies on an annual basis and whenever required to align with the regulatory and/or business requirements.

## General Shareholder Information:

1.	Corporate Identity Number ('CIN')	L67190WB2014PLC204622
	Address for Correspondence	<b>Registered Office:</b> DN-32, Sector - V, Salt Lake, Kolkata - 700 091 <b>Head Office:</b> Floors 12 <sup>th</sup> to 14 <sup>th</sup> , Adventz Infinity@5, BN 5, Sector V, Salt Lake City, Kolkata - 700 091 <b>Contact:</b> Mr. Indranil Banerjee, Company Secretary & Compliance Officer (Nodal Officer for IEPF related matters) <b>Phone Number:</b> 033 6609 0909 <b>E-mail ID:</b> <a href="mailto:investors@bandhanbank.com">investors@bandhanbank.com</a> <b>Website:</b> <a href="http://www.bandhanbank.com">www.bandhanbank.com</a>

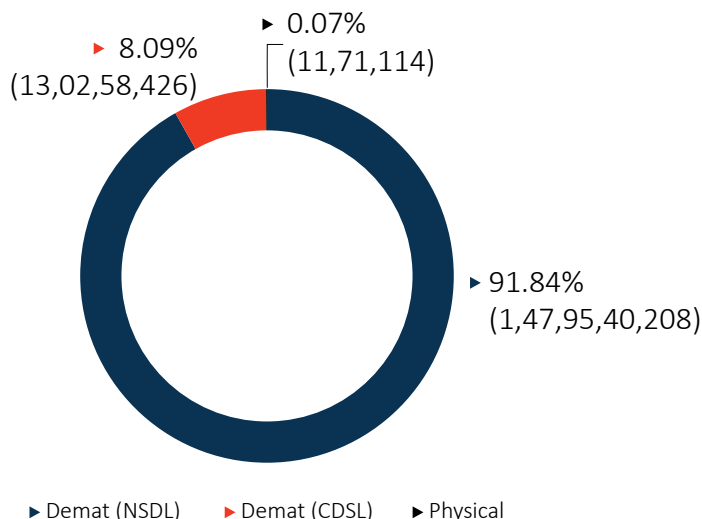
2. Date, Time and Venue of the Annual General Meeting ('AGM')	10 <sup>th</sup> AGM of the Bank will be held on Tuesday, <b>August 20, 2024, at 11:00 A.M.</b> Since the AGM will be conducted through VC/ OAVM pursuant to the MCA General Circular No. 20/2020 dated May 05, 2020, read with General Circular No. 09/2023 dated September 25, 2023, as such, there is no requirement to arrange a venue for the 10 <sup>th</sup> AGM of the Bank. For details, please refer to the Notice of the 10 <sup>th</sup> AGM.
3. AGM Webcast link	<a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a>
4. Financial Year	April 01, 2023 to March 31, 2024
5. Date of Book Closure	Wednesday, August 14, 2024 to Tuesday, August 20, 2024 (both days inclusive)
6. Dividend Payment Date	Dividend, if declared by the Members, will be paid within 30 days of the AGM
7. Listing on Stock Exchanges	<p>i) National Stock Exchange of India Limited ('NSE') Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai – 400051</p> <p>ii) BSE Limited ('BSE') Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400001</p> <p>The Bank has duly paid the Annual Listing Fees to NSE &amp; BSE for the financial year 2024-25. During the financial year under review, the equity shares of the Bank were not suspended from trading on the said Stock Exchanges, where the shares of the Bank are listed or by any Regulatory Body /Statutory Authority.</p>
8. Stock Code	NSE Symbol – BANDHANBNK BSE Scrip Code – 541153
9. Registrars & Share Transfer Agent (both Physical & Demat Segments) (Equity & Debentures)	<p><b>KFin Technologies Limited</b> Selenium Building, Tower B, Plot Nos. 31 &amp; 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana, India – 500032 <b>Toll Free Number:</b> 1800 309 4001 <b>E-mail:</b> <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> <b>Website:</b> <a href="http://www.kfintech.com">www.kfintech.com</a> <b>Name of the Contact Person:</b> Mr. Bhaskar Roy, Vice President</p> <p><b>Web-based Query Redressal System:</b> Pursuant to the provisions of the SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/72 dated June 08, 2023, rescinded vide SEBI Master Circular dated May 07, 2024, the Bank's Registrar and Share Transfer Agent (RTA), KFin Technologies Limited have launched a website which can be accessed at <a href="https://kprism.kfintech.com/signup">https://kprism.kfintech.com/signup</a>. Members are requested to register/ signup, using the Name, PAN, Mobile and email ID. Post registration, user can login via OTP and execute activities like, raising Service Request, Query, Complaints, check for status, KYC details, Dividend, e-Meeting and e-Voting details.</p>
10. Share Transfer System	<p>The Bank's shares which are in dematerialised (demat) mode are transferable through the depository system.</p> <p>With regard to shares held in physical mode, SEBI vide amendment to Regulation 40(1) of the SEBI LODR, with effect from April 01, 2019, mandated that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository. Further, vide amendment dated January 24, 2022 to Regulation 40(1) of the SEBI LODR, SEBI has mandated that transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. Moreover, SEBI vide Circular dated January 25, 2022, has mandated that the listed companies shall henceforth issue the securities in dematerialised form only while processing certain service requests as explained in subsequent section of this Report.</p> <p>In view of the above, Shareholders holding shares in physical form are requested to consider converting their holdings to dematerialised form. Transfers of equity shares in electronic mode are effected through the depositories with no involvement of the Bank. Further, the Bank has also sent individual letters to the Shareholders holding shares in physical form to update their KYC, bank details and nomination details with the RTA/ the Bank. The Bank has also implemented the process to issue 'letter of confirmation' pursuant to receipt of duly filled in form ISR-4 by the Shareholders holding shares in physical mode.</p> <p>Therefore, Shareholders, holding shares in physical mode, are requested to get in touch with any Depository Participant registered with SEBI to open a Demat Account or may also visit website of depositories, viz., National Securities Depository Limited ('NSDL'), viz., <a href="https://nsdl.co.in/services/demat.php">https://nsdl.co.in/services/demat.php</a> or Central Depository Services (India) Limited ('CDSL'), viz., <a href="https://www.cdslindia.com/investors/open-demat.html">https://www.cdslindia.com/investors/open-demat.html</a>, for further understanding of the dematerialisation procedure.</p>

11. Dematerialisation of Shares and Liquidity

The shares of your Bank are available for trading in the dematerialised form only under both the Depositories in India, viz., NSDL and CDSL. The annual custodian fees for the financial year 2024-25 have been paid to NSDL and CDSL.

As on March 31, 2024, 1,60,97,98,634 Shares representing 99.93 per cent. of the total Share Capital of the Bank were held in dematerialised form. The International Securities Identification Number ('ISIN') of the equity shares of the Bank is **INE545U01014**.

**Modes of Shares Held**



12. Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, Conversion Date and Likely Impact on Equity

Not applicable

13. Reconciliation of Share Capital Audit

Reconciliation of Share Capital Audit in terms of Regulation 76 of the SEBI (Depositories and Participants) Regulations, 2018, read with SEBI Circular No. D&CC/FITTC/CIR/-16/2002 dated December 31, 2002, as amended, has been carried out by Company Secretary in Practice on quarterly basis, who reports on the reconciliation of total issued and listed capital with that of total share capital admitted/ held in dematerialised form with NSDL and CDSL and those held in physical form. The audit report confirms that the total issued/ paid-up/ listed capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held through NSDL and CDSL.

The quarterly reports in this regard have been submitted to Stock Exchanges, viz., BSE and NSE, and were placed before the Board of Directors of the Bank for its review.

**Shareholders holding 1% and above as on March 31, 2024**

Sl. No.	Name of the Shareholder	No. of Shares held	% of Total Holdings
1	Bandhan Financial Holdings Limited	64,41,15,857	39.98
2	Caladium Investment Pte. Ltd.	12,54,44,201	7.79
3	Life Insurance Corporation of India	5,94,55,863	3.69
4	Tata Large and Mid-Cap Fund	1,76,15,532	1.09
5	MFS Emerging Markets Equity Fund	1,70,88,408	1.06
6	Aditya Birla Sun Life Trustee Private Limited A/C	1,68,99,385	1.05



## Distribution Schedule as on March 31, 2024

Category (Paid up value of shares held)	No. of Shareholders*	% of Shareholders	No. of Shares	% of Total Holdings
1- 5,000	7,38,691	99.20	14,72,33,261	9.15
5,001 – 10,000	3,158	0.42	2,26,76,963	1.41
10,001 – 20,000	1,338	0.18	1,90,39,093	1.18
20,001 – 30,000	404	0.05	1,00,22,760	0.62
30,001 – 40,000	199	0.03	69,51,971	0.43
40,001 – 50,000	145	0.02	65,79,475	0.41
50,001 – 1,00,000	255	0.03	1,87,61,929	1.16
1,00,001 and above	495	0.07	1,37,97,04,296	85.64
<b>Total</b>	<b>7,44,685</b>	<b>100.00</b>	<b>1,61,09,69,748</b>	<b>100.00</b>

\*Number of Shareholders on the basis of folios

## Top ten Shareholders as on March 31, 2024

Sl. No.	Name of the Holder	No. of Shares held	% of Total Holdings
1	Bandhan Financial Holdings Limited	64,41,15,857	39.98
2	Caladium Investment Pte. Ltd.	12,54,44,201	7.79
3	Life Insurance Corporation of India	5,94,55,863	3.69
4	Tata Large and Mid-Cap Fund	1,76,15,532	1.09
5	MFS Emerging Markets Equity Fund	1,70,88,408	1.06
6	Aditya Birla Sun Life Trustee Private Limited A/C	1,68,99,385	1.05
7	Kotak Equity Arbitrage Fund	1,57,36,724	0.98
8	Matthews Emerging Markets Small Companies Fund	1,55,76,517	0.97
9	HDFC Large and Mid Cap Fund	1,30,62,540	0.81
10	Marshall Wace Investment Strategies- Eureka Fund	1,19,36,040	0.74

\*Shareholding is consolidated based on Permanent Account Number of the shareholder.

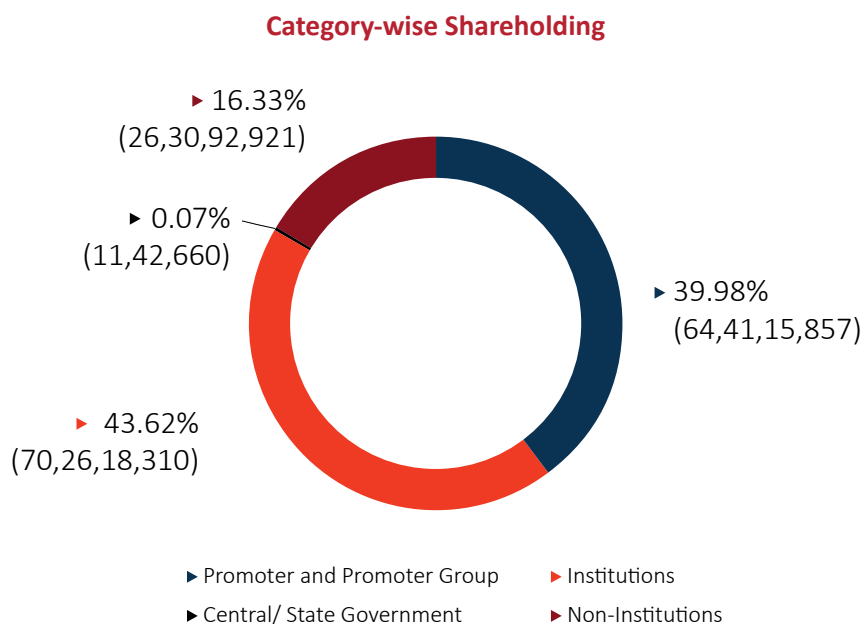
## Categories of Shareholders as on March 31, 2024

Sl. No.	Category of Shareholder	No. of Shares held	% of Total Holdings
<b>(A)</b>	<b>Promoter and Promoter Group</b>		
(a)	Bandhan Financial Holdings Limited (Promoter) <sup>1</sup>	64,41,15,857	39.98
(b)	Bandhan Financial Services Limited (Promoter)	0	0.00
(c)	Financial Inclusion Trust (Promoter)	0	0.00
(d)	North East Financial Inclusion Trust (Promoter)	0	0.00
(e)	Bandhan Konnagar (Promoter Group)	0	0.00
(f)	Bandhan AMC Limited (Promoter Group)	0	0.00
(g)	Bandhan Mutual Fund Trustee Limited (Promoter Group)	0	0.00
(h)	Bandhan Investment Managers (Mauritius) Limited (Promoter Group)	0	0.00
(i)	Quadra Medical Services Private Limited (Promoter Group)	0	0.00
(j)	Quadra Hospital And Medical Services Private Limited (Promoter Group)	0	0.00
(k)	Gamma Spect- Imaging & Diagnostic Centre Private Limited (Promoter Group)	0	0.00
(l)	Quadramedical Research & Foundation Private Limited (Promoter Group)	0	0.00
(m)	Aegon Life Insurance Company Limited (Promoter Group)*	0	0.00
	<b>Sub-Total</b>	<b>64,41,15,857</b>	<b>39.98</b>
<b>(B)</b>	<b>Public Shareholding</b>		
<b>(1)</b>	<b>Institutions</b>		
(a)	Mutual Funds	12,98,81,335	8.06
(b)	Alternative Investment Fund	6,60,078	0.04

Sl. No.	Category of Shareholder	No. of Shares held	% of Total Holdings
(c)	Banks	18,658	0.00
(d)	Insurance Companies	6,95,59,108	4.32
(e)	Provident Funds/ Pension Funds	33,275	0.00
(f)	NBFCs registered with RBI	16,508	0.00
(g)	Foreign Direct Investment	6,51,86,116	4.05
(h)	Foreign Portfolio Investors (Category I)	41,70,28,345	25.89
(i)	Foreign Portfolio Investors (Category II)	2,02,34,887	1.26
<b>(2)</b>	<b>Central Government/ State Government(s)/ President of India</b>		
(a)	Shareholding by Companies or Bodies Corporate where Central State Government is a promoter	11,42,660	0.07
<b>(3)</b>	<b>Non-Institutions</b>		
(a)	Directors and their relatives (excluding independent directors and nominee directors)	16,81,353	0.10
(b)	Key Managerial Personnel	3,600	0.00
(c)	Investor Education and Protection Fund (IEPF)	12,13,286	0.08
(d)	Resident Individuals holding nominal share capital up to ₹ 2 lakh	17,33,32,408	10.76
(e)	Resident Individuals holding nominal share capital in excess of ₹ 2 lakh	5,03,07,549	3.12
(f)	Non Resident Indians (NRI)	82,28,842	0.51
(g)	Foreign Nationals	378	0.00
(h)	Bodies Corporate	1,21,43,370	0.75
(i)	Clearing Members	63,395	0.00
(j)	H U F	57,68,688	0.36
(k)	Trusts	1,03,50,052	0.64
<b>Sub-Total</b>		<b>96,68,53,891</b>	<b>60.02</b>
<b>GRAND TOTAL (A+B)</b>		<b>1,61,09,69,748</b>	<b>100.00</b>

\* Name of Aegon Life Insurance Company Limited has changed to Bandhan Life Insurance Limited.

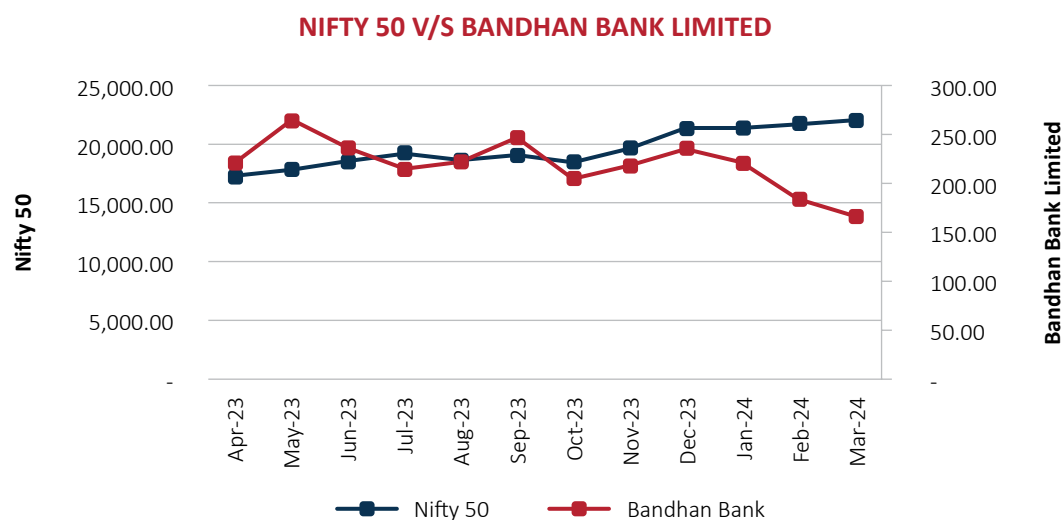
<sup>1</sup> Equity Shares held by the Promoter are neither under pledge nor under lock-in.



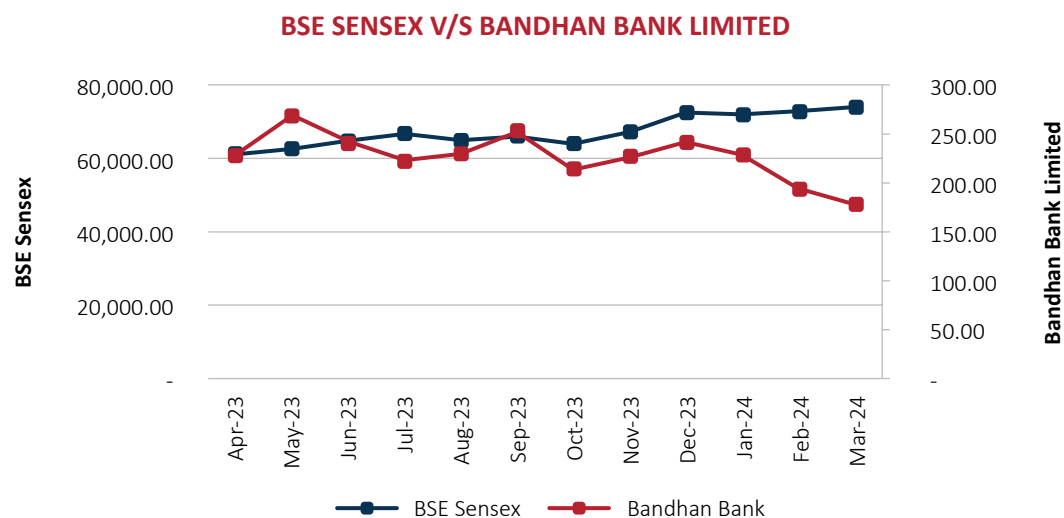
### Market Price Data: High and Low during each month of the financial year 2023-24

Month	NSE			BSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
Apr-23	230.60	196.75	13,95,84,833	230.55	196.75	55,58,805
May-23	269.30	228.85	17,58,49,602	269.25	228.80	60,42,226
Jun-23	272.00	232.30	13,91,60,230	272.00	232.40	49,09,056
Jul-23	246.00	210.00	34,73,39,728	245.60	210.00	3,10,39,214
Aug-23	240.70	221.10	20,18,33,696	240.70	221.15	1,03,22,719
Sep-23	259.25	228.95	23,11,02,907	259.25	229.00	91,78,599
Oct-23	255.95	211.20	16,26,97,288	256.65	211.25	61,64,942
Nov-23	230.40	211.40	14,54,64,698	230.50	211.40	2,08,23,323
Dec-23	256.10	225.55	22,65,72,294	256.00	225.55	1,86,53,161
Jan-24	263.10	219.15	33,28,98,608	263.15	219.25	3,98,15,095
Feb-24	232.65	192.80	28,40,42,324	232.50	193.00	2,12,06,601
Mar-24	201.70	173.15	21,45,60,348	204.90	173.45	1,45,76,175

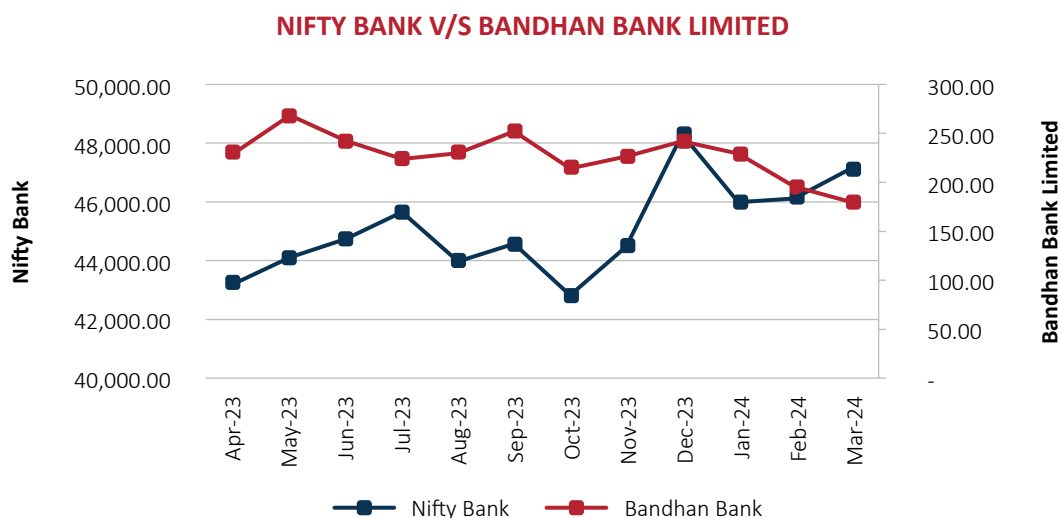
### Performance of the Bank's Equity Shares as compared with NSE Nifty Index during the FY 2023-24



### Performance of the Bank's Equity Shares as compared with S&P BSE SENSEX during the FY 2023-24



## Performance of the Bank's Equity Shares as compared with Nifty Bank Index during the FY 2023-24



### Debenture Trustee

The SEBI LODR requires companies, which have listed their debt securities, to disclose the names of their debenture trustees with contact details in their Annual Report. Your Bank did not have any listed debt securities during the financial year 2023-24. However, the details of the Debenture Trustee for unlisted NCDs are as under:

#### IDBI Trusteeship Services Limited

Universal Insurance Building, Ground Floor, Sir P.M. Road, Fort, Mumbai - 400001, India

**Contact:** 022-40807005, 022-40807000, +91 8097474605

**Email ID:** [gauri@idbitrustee.com](mailto:gauri@idbitrustee.com)

**Website:** <https://idbitrustee.com>

### Plant Locations

Being in the banking business, your Bank does not have any plant. However, your Bank had 4,597 Banking Units and 1,700 Branches as on March 31, 2024. The total number of ATMs as on March 31, 2024 was 438. The locations of the banking outlets are displayed on your Bank's website.

### Rating of Various Debt Instruments (As on March 31, 2024)

Details of rating of various debt instruments of your Bank for the financial year 2023-24 have been provided in the Board's Report forming part of this Annual Report.

### CEO and CFO Certification

The Managing Director & CEO and the CFO of the Bank give annual certification on financial reporting and internal controls to the ACB/ Board in terms of Regulation 17(8) of the SEBI LODR. The quarterly/ annual certificate(s) for all the quarters/ year on financial results were also placed before the ACB/ Board in terms of Regulation 33(2) of the SEBI LODR.

### Secretarial Audit Report

The Bank has obtained a Secretarial Audit Report for the financial year 2023-24, in Form MR-3, in terms of Section 204 of the

Companies Act and Regulation 24A(1) of the SEBI LODR, from CS Hansraj Jaria, Practicing Company Secretary (FCS No.: 7703/ CP No.: 19394). The details of the same have been provided in the Board's Report, which forms part of this Annual Report.

### Annual Secretarial Compliance Report

The Bank has obtained an Annual Secretarial Compliance Report for the financial year 2023-24, in the format prescribed by the SEBI, in terms of Regulation 24A(2) of the SEBI LODR, read with chapter VI of the SEBI Master Circular No. SEBI/HO/CFD/PoD2/ CIR/P/2023/120 dated July 11, 2023, from CS Hansraj Jaria, Practicing Company Secretary (FCS No.: 7703/ CP No.: 19394). The said Report has been duly filed with the Stock Exchanges and has been uploaded to the website of the Bank at <https://bandhanbank.com/corporate-governance/secretarial-compliance-report>.

### Compliance Certificate

A Certificate from CS Anjan Kumar Roy, Practicing Company Secretary (FCS No.: 5684/CP No.: 4557), regarding compliance with the conditions of Corporate Governance, as stipulated in the SEBI LODR, is annexed to this Report and forms part of the Annual Report.

### Certificate on Directors' Status

None of the Directors of the Bank has been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI or the MCA or any such statutory authority. A Certificate to this effect from CS Anjan Kumar Roy, Practicing Company Secretary (FCS No.: 5684/ CP No.: 4557) is annexed to this Report forming part of the Annual Report.

### Directors E-KYC

The MCA, vide the Companies (Appointment and Qualifications of Directors) Rules, 2014, has mandated KYC of all the Directors through the e-form DIR-3 KYC/ web-form DIR-3 KYC-WEB. All Directors of the Bank have complied with the aforesaid requirement.

## Other Useful Information for Shareholders

### 1) Unpaid/ Unclaimed Dividends

Pursuant to provisions of Sections 124 and 125 of the Companies Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), any dividend declared by the Bank, which remains unclaimed or unpaid for a period of seven years from the date of transfer to the respective Unpaid Dividend Account of the Bank, is liable to be transferred to the Investor Education and Protection Fund ('IEPF').

Further, all the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall also be transferred to the IEPF Authority. However, the said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of such shares or where such shares are pledged or hypothecated under the provisions of the Depositories Act, 1996.

Your Bank was incorporated on December 23, 2014. Since inception, your Bank has declared dividend in its 4<sup>th</sup>, 5<sup>th</sup>, 7<sup>th</sup> and 9<sup>th</sup> AGMs held in 2018, 2019, 2021 and 2023, respectively. Hence at present, your Bank is not required to transfer any unclaimed dividend amount to the IEPF Authority. However, GRUH Finance Limited ('GRUH') amalgamated into and with your Bank with effect from October 17, 2019, and in light of the aforesaid provisions, the equity shares issued by your Bank as against the equity shares held by the shareholders of erstwhile GRUH and unclaimed dividend pertaining to such equity shares not claimed for seven consecutive years were required to be transferred to the IEPF during the FY 2023-24. Accordingly, the dividends that remained unclaimed for seven years, have been transferred to the IEPF during the FY 2023-24. Further, such equity shares, in respect of which dividend has not been claimed for seven consecutive years or more from the date of transfer to unpaid dividend account, have also been transferred to the demat account of the IEPF Authority.

The details of unclaimed dividends and shares transferred to IEPF Authority during FY 2023-24 are as follows:

Relevant Financial Year	Amount of unclaimed dividend transferred (Amount in ₹)	Number of shares transferred
2015-16	30,72,032	24,276

The concerned shareholder/ claimant who has a legitimate claim on the transferred dividends/ shares may claim the same from the IEPF Authority by following the below-mentioned process:

- By making a request to the Bank/ RTA along with physical copy of the requisite documents as enumerated in the web based Form IEPF – 5 and IEPF Rules, duly signed, in original, for issuance of 'Entitlement Letter', addressed to Nodal Officer, at the Head Office of the Bank or the address of RTA.

*(In terms of IEPF Circulars, the Bank is required to verify all the documents before issuing Entitlement Letter. Accordingly, you are requested to submit the original documents complete in all respects pertaining to the claim to the Bank or its RTA)*

- After due verification of documents by RTA/ the Bank, an Entitlement Letter would be issued to the eligible claimant. On receipt of the Entitlement Letter, make an application in web based Form IEPF-5 available at <https://www.iepf.gov.in/content/iepf/global/master/Home/Home.html> along with Entitlement Letter; and
- Thereafter, send the self-certified copy of Form IEPF-5 along with acknowledgement generated on filing of Form IEPF-5, and a signed copy of the Indemnity Bond, to the Bank/ RTA. Additionally, the shareholders/ claimants may scan the whole set of documents and send the same to the Bank by e-mail at [companysecretary@bandhanbank.com](mailto:companysecretary@bandhanbank.com) to enable quick processing, followed by original physical copy.

Further, in terms of the provisions of the IEPF Rules, the Bank is required to submit the e-verification report to the IEPF Authority within 30 days from the date of filing of web-based e-form IEPF-5. In case the original documents complete in all respect are not received by the Bank well within 30 days from the date of filing of web-based e-form IEPF-5, the Bank would be bound to file e-verification report for rejection of such claims. Upon submission of e-verification report by the Bank, the IEPF Authority shall verify the documents as submitted by such shareholder and may approve/ reject such claim.

In the interest of the shareholders, your Bank has sent reminders to the shareholders to claim their dividends/ equity shares, three months before the due date for transfer to IEPF Authority. Notices in this regard were also published in the newspapers and the details of unclaimed dividends and shareholders whose shares were liable to be transferred to the IEPF Authority are available on the Bank's website under the investor relations section <https://bandhanbank.com/unclaimed-dividend>.

The following tables give information relating to unclaimed dividends and the dates by which they can be claimed by the Shareholders from the Bank. The unclaimed dividends thereafter, shall be transferred to the IEPF as stated above.

#### a. For Shareholders of the Bank:

Financial Year	Date of Declaration of Dividend	Last date for claiming Dividend
2017-18	July 19, 2018	August 19, 2025
2018-19	June 28, 2019	July 29, 2026
2019-20	No dividend declared	Not Applicable
2020-21	August 06, 2021	September 06, 2028
2021-22	No dividend declared	Not Applicable
2022-23	August 18, 2023	September 17, 2030



**b. For Shareholders of erstwhile GRUH which has merged with the Bank:**

Financial Year	Date of Declaration of Dividend	Last date for claiming Dividend
2016-2017	June 15, 2017	July 13, 2024
2017-2018	May 30, 2018	June 27, 2025
2018-2019	July 19, 2019	August 20, 2026

**2) Payment of Dividend through Electronic mode**

In terms of Regulation 12 of the SEBI LODR, read with Schedule I thereto, every listed entity is required to mandatorily make all payments to shareholders, including Dividend, through any RBI approved electronic mode of payments, viz., Direct Credit, Real Time Gross Settlement (RTGS), National Electronic Fund Transfer (NEFT), Electronic Clearing Service (ECS), National Automated Clearing House (NACH), etc. Your Bank is entitled to use the bank account details of the shareholders available with the Bank/ Depository Participant to facilitate payment through electronic mode.

Therefore, all Shareholders of the Bank are requested to update details relating to their bank account number, including nine digit MICR code and 11-digit IFSC code, email address and mobile numbers with their respective Depository Participants (*in case shares are held in dematerialised mode*) or with the Bank's RTA (*in case shares are held in physical mode*), by submission of form ISR-1 to RTA, along with relevant supporting documents.

**3) Information for Physical Shareholders**

**Compulsory Furnishing of Documents/ Details:**

As an on-going measure to enhance the ease of doing business for investors in the securities market, the SEBI had issued various circulars from time to time, which were rescinded vide its Master Circular for Registrars to an Issue and Share Transfer Agents (RTAs) dated May 07, 2024 (**'SEBI Master Circular'**). The SEBI Master Circular has mandated furnishing of PAN, Choice of Nomination, Contact details (Postal Address with PIN and Mobile Number), Bank Account details and Specimen Signature for corresponding folio by all holders of physical securities.

The SEBI Master Circular, read with SEBI Circular dated June 10, 2024, further mandated that the security holder(s) whose folio(s) do not have PAN, KYC details including Contact Details, Bank Account Details and Specimen Signature updated, shall be eligible:

- to lodge grievance or avail any service request from the RTA, only after furnishing PAN and KYC details.
- for any payment including dividend, interest or redemption payment in respect of such folios, only through electronic mode with effect from April 01, 2024, only after furnishing PAN and KYC details.

**Actionable:**

Subject Matter	Action to be taken by Physical Shareholders		
Compulsory furnishing of the following:	In case any of below-mentioned information/ documents are not provided earlier, the holders of physical shares of the Bank are required to furnish the same to the Bank's RTA, KFin Technologies Limited, in the manner as provided herein below:		
	Details to be provided	Documents required	Form for furnishing details
• PAN	Valid PAN	Self-certified copy of PAN duly linked with AADHAAR	Form No. ISR - 1
• Contact details (Postal address with PIN, Mobile number, E-mail address)	Contact Details: (i) Postal Address with PIN; (ii) Mobile Number; (iii) E-mail Address	In case of change in address, self-certified copy of the Postal address proof as per point no. C (3) of Form ISR-1. It is compulsory to provide Mobile number and E-mail ID.	
• Demat account details	Demat Account details, if available	Client Master List ('CML') of your Demat Account, duly signed by the Depository Participant with stamp.	
• Bank account details (bank name and branch, bank account number, IFS code); and	Bank Account Details: (i) Name of Bank & Branch; (ii) Account Number; (iii) IFS Code	<ul style="list-style-type: none"> <li>Self-certified copy of Bank passbook; or</li> <li>Bank Statement attested by Bank, in original; or</li> <li>Original cancelled cheque leaf, bearing the name of the shareholder printed on it</li> </ul>	Form No. ISR-1 Form No. ISR - 2
• Specimen signature	Specimen Signature ( <i>for shareholder whose specimen signature is not available with the RTA or who wish to update their existing signature in the records of the RTA</i> )	Banker's attestation of the signature of the holder(s); along with: <ul style="list-style-type: none"> <li>Original cancelled cheque, bearing the name of the shareholder printed on it; or</li> <li>Self-certified copy of Bank Passbook/ Bank Statement;</li> </ul>	

Subject Matter	Action to be taken by Physical Shareholders		
• Nomination	Nomination details (for shareholders who have not registered any nominee)	Original copy of Nomination Form as provided in the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014	<b>Form No. SH-13</b>
	Change in Nomination (for shareholders who have registered nominee(s), but, they wish to change/ alter the same)	Original copy of Variation of Nomination Form as provided in Rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014	<b>Form No. SH-14</b>
	Declaration to opt-out nomination (for shareholders who have not registered any nominee and who do not wish to have any nominee)	In case the holder does not wish to nominate any person, then the 'Declaration to Opt-out', shall be furnished in original	<b>Form No. ISR - 3</b>
	Cancellation of nomination (for shareholders who have registered nominee(s), but, who no longer wish to have any nominee)	<ul style="list-style-type: none"> <li>Original copy of Cancellation of Nomination Form as provided in Rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014; and</li> <li>Form for 'Declaration to Opt out' is also required to be submitted</li> </ul>	<ul style="list-style-type: none"> <li><b>Form No. SH-14</b></li> <li><b>Form No. ISR - 3</b></li> </ul>

### Issue of Securities in DEMAT Form Only:

As an ongoing measure to enhance the ease of dealing in securities market by the investors, the SEBI, vide its Master Circular dated May 07, 2024, has mandated that the listed companies shall henceforth issue the securities in dematerialised form only while processing the following service request:

Nature/ Details of Request	Required Form
Issue of duplicate securities certificate	<b>ISR – 4</b> (along with relevant documents)
Claim from Unclaimed Suspense Account	
Renewal/ Exchange of securities certificate	
Endorsement	
Sub-division/ Splitting of securities certificate	<b>ISR – 4 &amp; ISR – 5</b> (along with relevant documents)
Consolidation of securities certificates/ folios	
Transposition	
Transmission	

#### Note:

- The SEBI has mandated that request for effecting transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository;
- Similarly, transmission or transposition of securities held in physical or dematerialised form and other service requests, as aforesaid, shall be effected only in dematerialised form.

#### 4) Total fees for all services paid by your Bank to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part

Your Bank did not have any subsidiary as on March 31, 2024. The details of the fees paid to M M Nissim & Co LLP, Chartered Accountants, and M/s. Singhi & Co., Chartered

Accountants, Joint Statutory Auditors of the Bank, for FY 2023-24, are as under:

Nature of Services	Amount in ₹ crore
Audit Fees	1.50
Certification and Other Fees to Auditors	0.86
Tax Audit Fees	0.09
Others	0.39
<b>TOTAL</b>	<b>2.84</b>

At the 9<sup>th</sup> AGM of the Bank, the Shareholders have approved for increase in the remuneration of the Joint Statutory Auditors from ₹1.17 crore to ₹1.50 crore for FY 2023-24 and onwards for their remaining tenure, as may be allocated by the Bank between the Joint Statutory Auditors and as may be mutually agreed by them, depending upon their respective scope of work. It also approved that additionally, the Joint Statutory Auditors would be paid Certification Fees, out-of-pocket expenses, outlays and taxes as applicable. The Board/ ACB shall have the power to alter and vary the terms and conditions of remuneration, including allocation of overall audit fees between the Joint Statutory Auditors depending upon their respective scope of work and/ or by reason of necessity, on account of conditions as may be stipulated by the RBI and/ or any other authority, in such manner and to such extent as may be mutually agreed between the Bank and the said Joint Statutory Auditors. Further, it was also mentioned that the remuneration paid to the Joint Statutory Auditors will be disclosed in the Report on Corporate Governance as well as the Annual Financial Statement of the Bank.

Accordingly, the fees paid to the Joint Statutory Auditors approved by the ACB and the Board under the power given by the Shareholders are disclosed hereinabove as well as in the notes to the Annual Financial Statement forming part of this Annual Report.

## 5) Equity Shares in the Unclaimed Suspense Account

In terms of Regulation 39(4) of the SEBI LODR, read with Schedule VI thereto, the details of Equity shares lying in the Unclaimed Suspense Account are given below, which include the equity shares issued by the Bank pursuant to the amalgamation of GRUH into and with the Bank against shares lying in the suspense account of erstwhile GRUH:

Particulars	No. of cases	No. of shares
Aggregate number of Shareholders and the outstanding shares as on April 01, 2023	118	1,72,484
Shareholders who approached the Bank for transfer of shares during the financial year	3	2,669
Shareholders to whom shares were transferred during the financial year	3	2,669
Shareholders whose shares were transferred to the demat account of the IEPF Authority as per Section 124 of the Companies Act	-	-
Shareholders whose shares got transferred to the Unclaimed Suspense Account during the financial year 2023-24	-	-
Aggregate number of Shareholders and the outstanding shares as on March 31, 2024	115	1,69,815

The voting rights on the equity shares lying in the suspense account as on March 31, 2024 shall remain frozen until the rightful owner claims such shares.

## 6) Equity Shares in the Suspense Escrow Demat Account

As per the requirements of various circulars issued by SEBI from time to time, which were consolidated vide its Master Circular for Registrars to an Issue and Share Transfer Agents (RTAs) dated May 07, 2024 ('SEBI Master Circular'), in case the securities holder/ claimant fails to submit the demat request within 120 days of issue of Letter of Confirmation, the Bank is required to credit the said securities to a Suspense Escrow Demat Account, held purely on behalf of the securities holders who are entitled to the securities and such securities shall not be transferred in any manner whatsoever except for the purpose of moving the securities from Suspense Escrow Demat Account to the security holder's/ claimant's

demat account as and when the security holder/ claimant approaches the Bank. Further, corporate benefits in terms of securities, viz. bonus, split, etc., accruing on such securities shall be credited to the Suspense Escrow Demat Account. Accordingly, the Bank had opened a Suspense Escrow Demat Account of the Bank. The details of Equity shares lying in the Unclaimed Escrow Demat Account is given below:

Particulars	No. of cases	No. of shares
Aggregate number of Shareholders and the outstanding shares as on April 01, 2023	-	-
Shareholders whose shares were transferred due to non-submission of demat request within specified timeline of 120 days	1	7,384
Shareholders to whom shares were transferred during the financial year	-	-
Shareholders whose shares were transferred to the demat account of the IEPF Authority as per Section 124 of the Companies Act, if any	-	-
Aggregate number of Shareholders and the outstanding shares as on March 31, 2024	1	7,384

## 7) Green Initiative in Corporate Governance

In furtherance of the 'Green Initiative in Corporate Governance' initiated by the MCA, the Bank once again requests all the shareholders, holding shares in dematerialised form and who have not yet registered their e-mail address, to register their e-mail address with their concerned Depository Participants for receiving notice/ documents including Annual Report in electronic mode. Shareholders who hold shares in physical form and who have not yet registered their e-mail address are requested to register their e-mail address by submitting details in form ISR- 1 as explained above, with KFin Technologies Limited, RTA of the Bank.

For and on behalf of the Board of Directors  
**Bandhan Bank Limited**

**Anup Kumar Sinha**

Place: Kolkata Non-Executive (Independent) Chairman  
Date: July 26, 2024 (DIN: 08249893)

## Declaration as prescribed under Para D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

I confirm that for the Financial Year ended March 31, 2024, the members of the Board of Directors and the Senior Management Personnel of the Bank have affirmed compliance with the provisions of the Bank's Code of Conduct for Board of Directors and the Code of Conduct for Senior Management, respectively.

Place: Kolkata  
Date: July 26, 2024

**Ratan Kumar Kesh**  
Managing Director & CEO  
(DIN: 10082714)

**CERTIFICATE ON CORPORATE GOVERNANCE**

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

To  
The Members  
Bandhan Bank Limited  
DN-32, Sector-V, Salt Lake  
Kolkata – 700091

- A. We have conducted an audit of compliance of corporate governance norms and procedures by **Bandhan Bank Limited** (CIN: L67190WB2014PLC204622), having its registered office at DN-32, Sector-V, Salt Lake, Kolkata – 700091 and Head Office at 12<sup>th</sup> to 14<sup>th</sup> Floor, Adventz Infinity @5, BN-5, Sector V, Salt Lake City, Kolkata-700091 (hereinafter referred as '**the Bank**'), during the financial year ended March 31, 2024, pursuant to the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ('**SEBI LODR**') and also read with the provisions of the Companies Act, 2013, during the aforesaid period.
- B. That our audit is an independent audit of compliance of corporate governance norms and procedures as maintained by the Bank in accordance with the applicable provisions and requirements of the SEBI LODR. That compliance of corporate governance norms and procedures is the responsibility of the Bank. That our audit and certificate is neither an opinion on financial statements of the Bank nor on future viability of the Bank or on efficiency or effectiveness with which the management has conducted the affairs of the Bank.
- C. In our opinion and to the best of our understanding, based on the records, documents, books and other information examined by us, during the aforesaid audit, as furnished by the Bank and its officers, we confirm that the Bank has complied with the corporate governance norms and procedures as per the provisions and requirements of the SEBI LODR, to the extent applicable to the Bank, during the aforesaid period under scrutiny.

For, **Anjan Kumar Roy & Co.**  
Company Secretaries

**Anjan Kumar Roy**  
Proprietor  
FCS No. 5684  
CP. No. 4557

C.O.P. Unique Code: 12002WB282300  
UDIN: F005684F000795913  
Peer Review Certificate No.: 869/2020  
Firm Unique Code: S2002WB051400

Place: Kolkata  
Date: July 26, 2024

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and clause (10)(i) of Para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
The Members,  
Bandhan Bank Limited  
DN-32, Sector-V  
Salt Lake  
Kolkata- 700091

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Bandhan Bank Limited** having CIN: L67190WB2014PLC204622 and having registered office at DN-32, Sector-V, Salt Lake, Kolkata – 700091 and Head Office at 12<sup>th</sup> to 14<sup>th</sup> Floor, Adventz Infinity @5, BN-5, Sector V, Salt Lake City, Kolkata-700091 (hereinafter referred to as '**the Bank**'), produced before us by the Bank for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V, Para-C, sub-clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number ('DIN') status at the portal, [www.mca.gov.in](http://www.mca.gov.in)] as considered necessary and explanations furnished to us by the Bank & its officers, we hereby certify that none of the Directors on the Board of the Bank as stated below for the Financial Year ended on March 31, 2024, have been debarred or disqualified from being appointed or continuing as Directors of the Bank by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sl. No.	Name of Director	DIN	Date of appointment in the Bank
1.	Dr. Anup Kumar Sinha	08249893	January 07, 2019
2.	Mr. Chandra Shekhar Ghosh	00342477	December 23, 2014
3.	Mr. Rajinder Kumar Babbar	10540386	March 08, 2024
4.	Mr. Ratan Kumar Kesh	10082714	March 31, 2023
5.	Dr. Allamraju Subramanya Ramasastry	06916673	August 08, 2018
6.	Dr. Aparajita Mitra	09484337	July 13, 2022
7.	Ms. Divya Krishnan	09276201	May 11, 2022
8.	Dr. Holger Dirk Michaelis*	07205838	February 12, 2016
9.	Mr. Narayan Vasudeo Prabhutendulkar	00869913	May 08, 2020
10.	Mr. Pankaj Sood	05185378	February 12, 2024
11.	Mr. Philip Mathew	09638394	June 15, 2022
12.	Mr. Santanu Mukherjee	07716452	January 07, 2019
13.	Mr. Subrata Dutta Gupta	08767943	March 19, 2021
14.	Mr. Suhail Chander	06941577	March 19, 2021
15.	Mr. Vijay Nautamlal Bhatt	00751001	May 08, 2020

\*Ceased to be Director of the Bank with effect from February 12, 2024

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Bank. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

For, **Anjan Kumar Roy & Co.**  
Company Secretaries

**Anjan Kumar Roy**  
Proprietor  
FCS No. 5684  
CP. No. 4557

C.O.P. Unique Code: 12002WB282300  
UDIN: F005684F000795968  
Peer Review Certificate No.: 869/2020  
Firm Unique Code: S2002WB051400

Place: Kolkata  
Date: July 26, 2024



## Annex - 5

# Management Discussion & Analysis Report

## A. Global and Indian Economic Scenario

### Global economy – fared better than expected

Global economy had a better than expected year in 2023 as inflation peaked out for most of the economies while growth remained steady. Factors, such as, government and private spending, along with real disposable income gains, drove the upswing. Consumption was supported despite tight labour markets, as households continue to tap into pandemic-era savings along with robust gains in wages. Euro area, however, continued to witness soft growth on the back of weak consumer sentiment. Global growth, is projected to remain steady at 3.2 per cent. in both 2024 and 2025<sup>1</sup>.

Monetary policy remained restrictive for most central banks primarily in order to combat higher inflation. Global headline inflation is expected to fall from an estimated 6.8 per cent. in 2023 (annual average) to 5.9 per cent. in 2024 and 4.5 per cent. in 2025<sup>2</sup>.

With disinflation and steady growth, the likelihood of a recession is more or less ruled out and interest rates are expected to get lowered in the second half of 2024. Having said that, growth forecast for 2024 for most economies remains below the historical average as multi-year high interest rates are expected to slightly dampen growth prospects. Policymakers' near-term challenge will be to intricately manage the final descent of inflationary forces while being cognizant of the fact that growth might need support in the latter half of the year. Potential risks to macro-stability like commodity price upswing, geopolitical tensions and looming debt burden would need close monitoring.

### Inflation easing faster than expected

Inflation rates have been declining at a faster pace than anticipated, as readings have approached the pre-pandemic average for both headline and core inflation, highlighting significant progress. This healthy progress on inflation can be attributed to higher interest rates induced demand moderation along with easing commodity prices. Resolution of pandemic-era supply chain issues has also helped in improving supply side bottlenecks and have aided in reducing cost pressures. Near-term inflation expectations have decreased across major economies, while long-term expectations have remained stable, indicating a level of anchored confidence in price stability.

### Interest rates expected to come down in the second half of 2024

Major central banks raised policy interest rates to restrictive levels in 2023. However, the policy decisions have been quite varied across various developing and developed economies.

United States Fed had raised rates 11 times between March 2022 to July 2023 and is now expected to ease rates in second half of 2024. On the other hand, countries such as Brazil and Chile, have seen declining inflation and subsequently reduced interest rates since the second half of 2023 in order to support faltering growth. Conversely, Japan have responded to persistent inflation by shifting to a more restrictive monetary policy stance for the first time since late 1990s.

But with easing of prices and steady growth levels, expectations of future policy rate reductions are very much in the horizon. However, the pace and direction of rate action would be varied across economies depending on the price-growth dynamics of the individual country.

Factors critical to future policy decisions

#### a) Geopolitical tensions:

The Ukraine war and renewed Middle East tensions, including Houthi attacks in the Red Sea, underscore the critical role of geopolitics in shaping the 2024 global economy. Beyond potential oil disruptions, the Red Sea attacks threaten to elevate freight insurance, lengthen trade routes, and exacerbate supply chain disruptions, potentially fuelling inflation and consequently disrupting livelihoods. Geopolitics continues to take a centre-stage in determining global policy stances around security, macro-economy and trade.

#### b) Climate disruptions:

Climate change threatens the stability of the global economy by disrupting key resources, causing extreme weather events, and creating uncertainty. Record-breaking heat in 2023 and climate shocks like droughts and floods continue to threaten livelihood and food security. On the other hand, severe episodes of drought-induced depletion of water levels has reduced the count of transiting ships through the Panama Canal. These two examples indicate how climate change is quickly transitioning from a medium-term hazard to a near-term risk. Policy makers are increasingly baking in climate disruptions into their assumptions while devising policies.

#### c) China's economic conundrum:

The world's second largest economy is witnessing it's one of the softest growth periods as a debt crisis in the property sector added to geopolitical tensions and weakening global demand. International Monetary Fund ('IMF') has projected Chinese growth to slow down to 3.5 per cent. by 2028 and also stated that

<sup>1</sup>World Economic Outlook, April 2024/

<sup>2</sup>World Economic Outlook, April 2024

uncertainty surrounding the outlook is very high. Protracted slowdown in Chinese economy could pose contagion risks to the rest of the world through various economic and financial channels.

**d) Rise in global debt:**

Global debt has increased massively to hit a record of \$307 trillion in 2023<sup>3</sup>. Both advanced and developing economies are facing the pressure, with more than 80 per cent. of the incremental debt build up in 2023 coming from developed economies. This rise in global debt significantly reduces fiscal space for governments to incur targeted expenditures while creating considerable uncertainty regarding macro-financial stability.

Some other key themes, both short-term and long-term, that remain crucial to policymaking going forward are discussed below:

**1) Upcoming elections critical to future policy course:**

The continuation of existing policies, alongside necessary reforms and implementation of new initiatives, will be a critical factor in determining the trajectory of the global economic, social and political landscape.

**2) Emergence of Artificial Intelligence ('AI'):**

AI has moved leaps and bounds in recent years and is poised to impact employment generation, job quality, and overall productivity of the global economy. In a latest study by IMF, almost 40 per cent. of global employment is exposed to AI and could potentially have significant impact on livelihood and income distribution<sup>4</sup>. Balanced and swift policies regarding AI remain crucial as rapid growth in this sector seems imminent in the next few years. This could unlock greater investment, enhanced productivity and accelerate convergence to higher income levels.

**3) Divergence in demographics across nations:**

Large economies like Japan and China are on the verge of a structural shift in terms of demographic mix as they transition to an ageing economy. United Nations ('UN') projections indicate an increase in number of countries experiencing annual population decline, from 41 countries in 2022 to 88 countries in 2050. Since demographic trends are also relatively predictable, key stakeholders have a fairly wide window of opportunity to enact policies and encourage behaviours that shape future demographics and cushion potential adverse impacts of the demographic changes that do occur. However, this also provides opportunity for nations like India, who are endowed with large young labour force, to capitalise on global efforts to diversify supply chains and propel higher growth.

**4) Inequality is still on the rise:**

While extreme poverty in middle-income countries has decreased, poverty in the poorest countries and countries affected by conflicts still remains on the rise. The persistence of poverty in these countries makes key global development goals much harder to achieve<sup>5</sup>. In India, divergence of income growth between the super-rich and poor has also continued to widen - between 1961 and 2023, the top 1 per cent. wealth share increased threefold, from 13 per cent. to 39 per cent.<sup>6</sup> This warrants timely and targeted policies to alleviate the deprived sections of the society in order to foster equitable and significant income growth.

### Indian Economy – continues to shine

The Indian economic growth story in FY 2023-24 continued to maintain its momentum with growth prints exceeding expectations. The World Bank has highlighted that India will be a major contributor to Asia's growth story and it is expected to see GDP growth of around 7 per cent. in FY 2024-25. Anticipations of a renewed wave of capital expenditure by the corporate sector are poised to be the leading driver of the forthcoming phase of economic expansion in FY 2024-25. On the other hand, inflation has started to ease from the peaks observed in November 2023 and December 2023, while core inflation has reached its lowest level in several years. Moderation in inflation means that bulk of the policy rate hike is behind for India and RBI is very much expected to lower rates in the second half of FY 2024-25.

India has long held the promise of a young, aspirational population, backed by robust democratic and business frameworks. Following a prolific period of reform, increasing global influence, and rapid digitisation, investors are now directing their attention towards the impending inception of 'India's decade'. In 2023, India also hosted one of the most successful G20 summits and has shown its ability to generate consensus among a diverse group of countries. This pivotal juncture coincides with India's status as the fastest-growing major economy, amidst a polarised global landscape characterised by elevated debt levels, decelerating growth, and heightened uncertainty.

Economic indicators point to a robust domestic economy, aided by pro-active and growth positive policies. Below we discuss some of the macro-economic parameters indicating the Indian economic juggernaut.

- Government capex induced investment propelled domestic growth in FY 2023-24; private capex revival underway-**

Capex growth, averaging 8.5 per cent. since June 2022, reached double digits at 10.6 per cent. in the December 2023 quarter, compared to the pre-pandemic average of 7.3 per cent. (2017-2019)<sup>7</sup>. Government-led capital spending has driven the recovery in capital expenditure since Covid. In FY 2024-25 interim budget, the Government has allotted

<sup>3</sup> World Economic Forum - What is 'global debt' - and how high is it now? (Dec'23)

<sup>4</sup> IMF Blogs, January 2024

<sup>5</sup> World Bank

<sup>6</sup> Income and Wealth Inequality in India, 1922-2023: The Rise of the Billionaire Raj, World Inequality Lab

<sup>7</sup> MOSPI

₹2.78 lakh crore for the road ministry, up about 2.8 per cent. compared to last year, while another ₹ 2.55 lakh crore will be given to the Indian Railways. This is the fourth consecutive increase in capital investment by the Government and this is expected to stimulate private capital expenditure, drive economic growth and propel higher consumption. Disparity in capital expenditure among states has come down, resulting in inclusive expansion of capital across the nation in the last few years. That bodes well for the long-term growth of India.

Private capital expenditure, which has been subdued over the past decade, is expected to turn a corner during the next few years primarily due to favourable interest rates and Government's focus on infrastructure development, enhancing the investment climate and attracting private funds.

- **Overall demand continues to be stable; recovery in rural demand ongoing-**

Private Final Consumption Expenditure ('PFCE') growth remained stable at 4 per cent. during the quarter ended March 31, 2024 as compared to the quarter ended March 31, 2023<sup>8</sup>. Rural consumption remained a bit muted, primarily due to uneven monsoon. On the other hand, urban consumption has remained relatively strong. Consumption growth is expected to recover durably in FY 2024-25, led by the revival in rural consumption. Consumer sentiment has remained steady while demand indicators like non-oil imports and two wheelers sales reflect consumption is gaining strength. Going forward, continued emphasis on capex, lower inflation, and improved monsoon forecasts are expected to alleviate rural demand distress.

- **Sustained optimism in manufacturing and service sectors-**

Propelled by new orders, upturn in inventories and higher job creation, India's manufacturing activity hit a 16-year high of 59.1 in March 2024 as indicated by Purchasing Managers Index ('PMI'). The latest PMI numbers showed that manufacturing output rose for the 33<sup>rd</sup> month running in March 2024, and to the greatest extent since October 2020.

Service sector continues to deliver robust growth as witnessed during FY 2022-23 despite global headwinds. Latest PMI print of service sector indicates that the sector has continued to be expansionary since August 2021<sup>9</sup>.

There are structural tailwinds at play for the Indian economy, indicating that the Indian growth story could be a multi-decadal phenomenon. The Indian story in the next few decades is likely to be driven by the broad themes of: - a) rapid digitisation, b) demographic dividend, c) increased and improved credit access, d) sustainability, and e) effective and transformative policy making.

**a) Digital infrastructure development remains rampant:**

- Digitalisation in India has been progressing steadily, first covering large urban areas, followed by smaller urban areas and rural areas.
- Digital growth in India is getting a further fillip now and would become a major factor in sustaining India's long-term growth story. According to the State of India's Digital Economy Report, 2024, by Indian Council for Research on International Economic Relations ('ICRIER'), the state of digitalisation in India is better than some developed countries including the United Kingdom, Germany and Japan, compared by their aggregate level of digitalisation.
- The foundation of India's digital transformation lies in building a democratic and efficient digital infrastructure to ensure ease of living. The Digital India initiative has been instrumental in achieving this goal, and it has been extended with a total budget of ₹14,903 crore from FY 2021-22 to FY 2025-26<sup>10</sup>.
- India's foundational Digital Public Infrastructure ('DPI'), called India Stack, has been harnessed to foster innovation and competition, expand markets, close gaps in financial inclusion, boost government revenue collection and improve public expenditure efficiency.
- Emerging technologies have played a key role in fuelling the growth of the Indian economy. Technologies like cloud computing and artificial intelligence have helped businesses in India become more efficient and productive.

**b) Demographic dividend is expected to stimulate multi-decadal domestic growth:**

- As per the United Nations Population Fund's ('UNFPA') State of World Population Report 2023, India now is the most populous country in the world, with 68 per cent. of the population belonging to the working age category, i.e. 15-64 age group.
- Government's continued focus on building social infrastructure, including education, skilling, public health and nutrition, and drinking water and sanitation, will lead to a more productive and proficient workforce. This is crucial for the success story of India's growth.

<sup>8</sup> MOSPI

<sup>9</sup> HSBC Indian Purchasing Managers' Index

<sup>10</sup> Invest India

- Mismatch in skillsets availability and industry-specific needs, along with low human development parameters are some of the challenges that holds the potential to derail India's demographics driven growth momentum. Policy makers need to closely monitor these concerns and act accordingly to make the most use of this dividend.

**c) Increased access to credit is crucial for long-term growth:**

- India has witnessed a significant surge in credit penetration, which could be a very significant instance in the nation's economic and social landscape. The latest data reveal a notable increase in the number of individuals and businesses accessing credit, a trend that is largely influenced by the concerted efforts towards financial inclusion.
- Financial inclusion has played a pivotal role in fostering the growth of credit penetration in India. Initiatives such as the Pradhan Mantri Jan Dhan Yojana ('PMJDY') have been instrumental in bringing a vast segment of the population into the formal banking system.
- In terms of the numbers for the quarter ended March 31, 2024, credit growth expanded by 16 per cent. year-on-year (excluding HDFC merger impact), which is well-above last year's print of 15 per cent.<sup>11</sup> Personal loans continued to drive credit demand while bank credit growth outpaced deposit growth significantly in FY 2023-24<sup>12</sup>. The medium-term prospects look promising with sustained growth in personal loans along with the anticipated increase in capex spending, especially in the private sector.
- Micro, Small and Medium Enterprises ('MSMEs') credit drive: Credit supply to MSMEs grew by 14 per cent. year-on-year during FY 2023-24, indicating robust lender confidence<sup>13</sup>. Commercial credit lending still continues to maintain its overall growth post initial boost provided by ECLGS scheme (launched by Government of India to support credit to MSME sector).
- Improved credit access to women: Women borrowers in India have increased at a Compound Annual Growth Rate ('CAGR') of 15 per cent. over the last five years compared to a CAGR growth

of 11 per cent. for male borrowers. The share of women borrowers has increased from 25 per cent. in 2017 to 28 per cent. in 2022<sup>14</sup>.

- India's credit growth is expected to remain buoyant over the next several years, driven by economic growth, pro-active policy making and a surge in retail lending through digital channels.

**d) Sustainability driven inclusive growth is the way forward:**

- Embracing renewable energy resources will play a crucial part in the development of India's sustainable strategy. India currently stands as the world's third-largest producer of renewable energy, with 42 per cent. of its installed capacity sourced from clean and sustainable options. India's goal of producing 500 GW of renewable energy capacity by 2030 will unlock 80 per cent. of power capacity additions from renewable sources<sup>15</sup>.
- As of February 2024, renewable energy sources, including large hydropower, have a combined installed capacity of 183.49 GW. India will witness more than 83 per cent. increase in investments in renewable energy projects to around \$6.5 billion in 2024 as the country focuses on energy transition to reduce carbon emissions<sup>16</sup>.
- The National Green Hydrogen Mission is aimed at making India a global hub for manufacturing this clean source of energy and is expected to lead to the development of 5 million metric tonnes per annum of green hydrogen production capacity by 2030. The Union Cabinet approved the National Green Hydrogen Mission with a total initial outlay of ₹19,744 crore<sup>17</sup>.

## **B. Indian Banking Sector: Key Developments**

### **Indian Banking Sector: Robust and healthy**

During FY 2023-24, credit offtake grew at a robust 20.2 per cent. year-on-year (including HDFC merger) and 16.3 per cent. year-on-year (excluding HDFC merger)<sup>18</sup>, outpacing deposit growth which grew by 13.5 per cent. (including HDFC merger) and 12.9 per cent. (excluding HDFC merger)<sup>18</sup>. As a result, the credit-to-deposit ('CD') ratio has increased to around 80.3 per cent. for all Scheduled Commercial Banks ('SCBs'), with a significantly higher ratio for private sector banks as compared to public sector banks<sup>19</sup>.

<sup>11</sup> Weekly Statistical Supplement

<sup>12</sup> Sectoral Deployment of Credit, March 2024

<sup>13</sup> Sectoral Deployment of Credit, March 2024

<sup>14</sup> TransUnion CIBIL Insights, Mar'23

<sup>15</sup> Invest India

<sup>16</sup> Power Ministry Sources- [https://www.business-standard.com/industry/news/renewable-energy-investments-to-increase-83-to-16-5-billion-in-2024-123122600251\\_1.html](https://www.business-standard.com/industry/news/renewable-energy-investments-to-increase-83-to-16-5-billion-in-2024-123122600251_1.html)

<sup>17</sup> Invest India

<sup>18</sup> Weekly Statistical Supplement

<sup>19</sup> Reserve Bank of India – Ratios and Rates

The growth of credit has been broad-based across segments:

- a. Personal Loans and credit to services have been the key credit growth drivers for FY 2023-24<sup>20</sup>
  - o Credit growth to services sector accelerated to 20.2 per cent. year-on-year (excluding HDFC merger) in March 2024 from 19.6 per cent. a year ago, due to the improved credit offtake to real estate, tourism and aviation. Including HDFC merger, growth in services credit came in at 22.9 per cent. year-on-year.
  - o Personal loans registered a robust growth of 17.7 per cent. (excluding HDFC merger impact) in March 2024 as compared with 21 per cent. a year ago, mainly driven by housing loans. Including HDFC merger, growth in personal loans came in at 27.6 per cent. year-on-year.
- b. Credit to agriculture and allied activities came in strong<sup>21</sup>
- c. Industry credit growth recovered in FY 2023-24<sup>22</sup>. In terms of scale-distribution, credit growth to micro, small and large-scale industries accelerated while credit growth was observed to be steady in medium-scale industries:

(Figures in ₹ crore)

Sector	For the FY ended		
	March 2024	March 2023	April 2022
Agriculture & allied activities	20.1%	15.4%	10.6%
Industries	9.0%	5.7%	7.9%
	(8.5%)	12.3%	29.8%
I. Micro and Small	14.9%	19.6%	53.7%
II. Medium	13.2%	3.0%	1.3%
III. Large	7.0%	19.8%	11.2%
Services	22.9%		
	(20.2%)		

Numbers in parentheses indicate year-on-year growth rate excluding HDFC merger impact

- d. Non-Performing Assets ('NPAs') continue to recover post pandemic jitters.
- e. As per the Financial Stability Report<sup>23</sup> ('FSR') by the RBI, Gross Non-Performing Asset ('GNPA') ratio of SCBs fell to an twelve-year low of 2.8 per cent. in March 2024 whereas the Net Non-Performing Assets ('NNPA') improved to a record low of 0.6 per cent. in March 2024.
- f. The FSR also highlights that the Indian banking sector would be able to withstand severe stress conditions in credit, as per extensive macro stress tests. This underscores India's banking sector strength with respect to any significant spill-overs from a possible banking crisis in the developed economies.
- g. Reserve Bank of India ('RBI') has continued to emphasise that sustained focus must be on a customer-centric approach to strengthen the confidence of people in the banking system. The apex body has also exhorted banks to further strengthen governance and assurance functions, which is crucial for the economic and financial stability of India.
- h. According to a latest report by PwC and Association of Microfinance Institutions of India, global Microfinance Institutions ('MFI') industry is expected to grow at a compound annual growth rate of 11.6 per cent.<sup>24</sup> MFIs, which have acted as a financial support system to low-income households by offering credit access, will continue to play a leading role in the growth process of India. Following data indicates the continued growth and widening scale of MFI in India<sup>25</sup> :
  - As per the latest data from Microfinance Institutions Network ('MFIN'), total Gross Loan Portfolio ('GLP') of microfinance stood at ₹4.33 lakh crore, with Non-Banking Finance Companies – Microfinance Institutions ('NBFC-MFIs') share at 40 per cent. followed by banks at 33 per cent., Small Finance Banks ('SFB') at 17 per cent. and NBFCs at 9 per cent.
  - The portfolio growth has been pronounced for SFBs (28 per cent. year-on-year) and NBFCs (38 per cent. year-on-year). Portfolio for banks rose by 21 per cent. while for NBFC-MFIs the growth came in at 24 per cent.

<sup>20</sup> [https://rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=57589](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57589)

<sup>21</sup> RBI Sectoral Deployment of Bank Credit – April 2024

<sup>22</sup> RBI Sectoral Deployment of Bank Credit – April 2024

<sup>23</sup> December 2023

<sup>24</sup> Report by PwC and Association of Microfinance Institutions 2022-23

<sup>25</sup> MFIN-Micrometer Synopsis March 2024



- The industry currently serves 7.8 crore unique borrowers through 14.9 crore loan accounts.
- The top 10 states (based on universe data) constitute 84.4 per cent. in terms of GLP. Bihar continues to be the largest state in terms of portfolio outstanding followed by Tamil Nadu and Uttar Pradesh.

With strong and ever-improving public and financial institutions in place, India stands at an opportune moment to ride the next cycle of growth in the coming decades.

### Potential threats

- The impediment to the Indian growth story mainly stems from the **external sector**— significant slowdown in overseas demand and persisting global inflation may temper growth outlook for India.
- Another risk to growth could be from **worsening supply-chain bottlenecks (due to increased geopolitical tensions)**. This may result in lower trade volumes, uncertainty in policy making and pick-up of inflation primarily due to volatile commodity prices, resulting in tempering of overall growth expectations.
- **Rapid technological disruption** may require traditional enterprises to rejig their business model quicker than expected. This could also result in a skill-jobs mismatch resulting in below-expected employment growth, which would significantly hinder the optimal use of India's favourable demographics. Policy makers, businesses and employees would need to be prepared and act accordingly.
- Corporations and policymakers would continue to remain cognizant of risks from **adverse climatic changes**. One such risk could be food supply shock due to unfavourable monsoon conditions in 2024. This could entail risks to domestic food security along with aiding the resurgence of inflationary pressures.

## C. Strategy

Your Bank has clearly laid out its vision to be a financial institution that caters to all and provide simple and cost-effective financial solutions in a courteous and responsible manner. It intends to create value for all stakeholders through a committed and efficient team, robust practices, superior systems and technology while continuing to deepen its customer reach.

Your Bank has been diligently working towards strengthening the foundations over the last few years to create the bedrock for the future growth story. This year, your Bank, has gone the extra mile and managed to instil key foundational blocks in critical parameters of success like tech, people and distribution. This will undoubtedly 'springboard' your Bank to its next phase of development.

Your Bank remains focused on scaling up the business by strengthening its loan book and bringing in quality deposits. Your Bank will continue to spread its presence across the country, while also upgrading its core businesses in existing geographies. Your Bank will continue to focus on reinforcing the culture of adhering to the highest standards of risk and compliance protocols at every stage of its functioning. By leveraging the vast network of branches and banking units, your Bank will continue to emphasise on providing improved financial solutions through innovative products. Through strict adherence to risk management framework, greater investment in data analytics and technology, your Bank's objective is to establish a robust foundation at each stage of its journey.

In line with the Indian growth story, your Bank has been able to deliver a robust performance in terms of extending business horizons and remain in course to deliver on its goals. Your Bank has been able to tread the industry growth path and even outperform in certain parameters as detailed below:

- Your Bank has demonstrated exceptional growth over the years with advances growing at a CAGR of 26 per cent. from ₹15,593 crore in FY 2015-16 to ₹1,24,721 crore in FY 2023-24. Your Bank has achieved this growth in advances while simultaneously diversifying the portfolio through increased allocations to housing, retail, and commercial banking loans.
- This growth story also underscores the trust that the customers have placed in your Bank, as evident by the increase in the deposit's portfolio from ₹12,089 crore in FY 2015-16 to ₹1,35,202 crore in FY 2023-24, translating to a CAGR of 31 per cent. Your Bank aims to achieve greater heights while focusing on its mission to provide accessible and cost-effective financial solutions to its customers.
- Your Bank continues to invest in future with great emphasis on digitisation for productivity and efficiency gains, along with enhanced customer experience. This year, your Bank, has made giant strides in the tech domain:
  - o Your Bank has achieved a significant milestone towards accomplishing this goal through the successful migration of its **Core Banking Solution ('CBS')** and subsequent revamping of its digital banking solution **mBandhan** application. This will ensure that your Bank is future-ready and equipped with the capability to meet the evolving requirements, as well as the dynamic shifts in customer's banking demands.
  - o Your Bank will also continue its pursuit to drive operational excellence on every count and provide digital-first solutions, ensuring that the customer experience remains the focal point of every initiative.

- Your Bank has maintained its pace of growth in terms of employees and remains a favoured choice for employees: During the Financial Year under review, manpower has increased by 9 per cent. from 69,702 as on March 31, 2023 to 75,748 as on March 31, 2024. Your Bank has additionally enhanced its geographical network with 1,700 retail branches and 4,597 banking units as on March 31, 2024.

**Your Bank is confident in advancing towards its vision by leveraging its strategic pillars focusing on People, Process and Technology:**

- Talent** – Your Bank recognises the importance of its most important resource i.e. its talent pool. Your Bank will work towards talent development through integrated learning and devolvement plan, and develop comprehensive capabilities across functions through relevant training. There is a continued assessment of productivity and efficiency metrics as a part of your Bank's pursuit to operate at an optimal level. Your Bank is actively implementing attrition management measures across focus areas using advanced analytics.
- Systems and Processes** - Your Bank prioritises continuous process improvement, recognising the vital role of aligning processes with organisational objectives. This commitment ensures operational efficiency and effectiveness, which is key to the achievement of strategic goals. Your Bank is investing in its systems and processes to enhance customer experience. Your Bank prioritises customer experience and transparency at every stage of designing processes.
- Technological Progress** - Over the years, your Bank has worked diligently towards widespread usage and

adoption of IT applications and analytical tools within the Bank and will continue to invest further in its IT and Analytics capabilities. These upgrades have enabled your Bank to enhance its abilities around exchange of data, strategic insights and timely reporting of key events resulting in improved coordination among different departments. Your Bank will continue to prioritise data security and integrity at every stage of its functioning.

**Keeping in line with its long-term goals, your Bank's long-term vision lays down the following objectives:**

- Be a banker for the new Indian, through every step of their aspirational journey.
- Serve the needs of emerging India through innovative products and dedicated service.
- Enable entrepreneurs with timely resources in order to scale-up their businesses.
- Be a value-based 'employer of choice' – to attract high-quality and motivated talent.

As part of its strategy, your Bank has been a part of various social development programmes on enhancing education, health, poverty alleviation, livelihood promotion, market linkages, enterprise development, employment generation and financial literacy. Going forward, your Bank will continue to engage with the community through strategic interventions aimed at contributing to society.

India's growth story presents a perfect operating context to leverage the capabilities your Bank has built over the years. Your Bank remains committed to executing its strategy plan in a systematic manner to deliver on both of its short-term and long-term goals.

## D. Financial Performance of the Bank

The financial highlights for the financial year under review are presented below:

### Summary of Financial Performance (₹ in crore)

Particulars	For the financial year ended	
	March 31, 2024	March 31, 2023
<b>Deposits:</b>	<b>1,35,201.99</b>	<b>1,08,064.69</b>
<b>Advances (Net):</b>	<b>1,21,136.78</b>	<b>1,04,756.77</b>
<b>Total Assets/Liabilities</b>	<b>1,77,841.66</b>	<b>1,56,037.09</b>
Net Interest Income	10,325.61	9,259.62
Non-Interest Income	2,164.65	2,468.55
Less: Operating Expenses (excluding depreciation)	5,613.20	4,494.17
<b>Profit before Depreciation, Provisions and Tax</b>	<b>6,877.06</b>	<b>7,234.00</b>
Less: Depreciation	237.58	142.65
Less: Provisions	3,696.57	4,198.37
<b>Profit Before Tax (PBT)</b>	<b>2,942.91</b>	<b>2,892.98</b>
Less: Provision for Tax	713.35	698.34
<b>Profit After Tax (PAT)</b>	<b>2,229.56</b>	<b>2,194.64</b>
<b>Balance in Profit &amp; Loss Account brought forward from previous year</b>	<b>7,453.78</b>	<b>6,009.94</b>
Less: Appropriations	1,004.21	750.80
<b>Balance carried over to Balance Sheet</b>	<b>8,679.13</b>	<b>7,453.78</b>
<b>EPS (Basic) (in ₹)</b>	<b>13.84</b>	<b>13.62</b>
<b>EPS (Diluted) (in ₹)</b>	<b>13.84</b>	<b>13.62</b>

The financial performance of your Bank during the financial year ended March 31, 2024, remained healthy with the Total Net Revenue (Net Interest Income Plus Other Income) rising by 6.5 per cent. to ₹12,490.26 crore from ₹11,728.17 crore during the previous financial year. Net Interest Income grew by 11.5 per cent. to ₹10,325.61 crore. The net interest margin ('NIM') was 7.3 per cent. during FY 2023-24 against 7.2 per cent. during the FY 2022-23.

Operating (Non-Interest) Expenses increased to ₹5,850.78 crore from ₹4,636.82 crore during FY 2023-24. During the FY under review, your Bank has set up 289 new branches and 9 new Banking Units. Employee strength increased to 75,748 during FY 2023-24 from 69,702 as on March 31, 2023. Staff expenses also went up due to annual wage revisions and there was a 8.67 per cent. increase in staff strength. Consequently, the cost to income ratio increased to 46.8 per cent. for FY 2023-24 from 39.5 per cent. for FY 2022-23.

The Profit After Tax ('PAT') for FY 2023-24 stood at ₹2,229.56 crore, an increase of 1.6 per cent. over the previous financial year. The Total Provisions and Contingencies (including tax provisions) was ₹4,409.92 crore as compared to ₹4,896.71 crore in FY2022-23. Consequently, the Return on Average Net Worth ('ROANW') was 10.7 per cent. for FY 2023-24 against 11.8 per cent. for FY 2022-23. Return on Average Asset ('ROAA') was 1.4 per cent. for FY 2023-24 against 1.6 per cent. for FY 2022-23. Your Bank's basic as well as diluted Earnings Per Share ('EPS') increased from ₹13.62 for FY 2022-23 to ₹13.84 for FY 2023-24.

However, reflecting on steady growth in the balance sheet, Total Liabilities (including capital and reserves) increased by 13.97 per cent. from ₹1,56,037.09 crore as on March 31, 2023 to ₹1,77,841.66 crore as on March 31, 2024 whereas Total Advances (Net) stood at ₹1,21,136.78 crore, a growth of 15.6 per cent. over FY 2022-23. Total Business of your Bank increased to ₹2,59,923 crore (Gross Advances: ₹1,24,721 crore and Deposits: ₹1,35,202 crore as on March 31, 2024) from previous year of ₹2,17,191 crore (Gross Advances: ₹1,09,122 crore and Deposits: ₹1,08,069 crore) as on March 31, 2023.

### Priority Sector Lending and Investment

RBI has mandated Priority Sector Lending ('PSL') of 40 per cent. of advances for all the banks. Your Bank continues to focus on financial inclusion by providing various financial services to the underserved. During FY 2023-24, your Bank's PSL was ₹60,123 crore as on March 31, 2024 as compared to ₹54,176 crore as on March 31, 2023. At the end of FY 2023-24, PSL as a proportion of the gross advances of ₹1,24,574.05 crore was 48 per cent.

### Key Ratios

	March 31, 2024	March 31, 2023
Fee to total income <sup>@</sup>	10.29%	13.44%
Cost to income <sup>#</sup>	46.84%	39.54%
Earnings per share	₹13.84	₹13.62
Book value per share	₹126.42	₹114.24
Return on average assets	1.44%	1.56%
Return on average net worth	10.65%	11.77%
Operating Profit to Average Total Assets	4.29%	5.03%
Net Interest Margin	7.35%	7.21%

<sup>@</sup>lower fee to total income for the current financial year due to one time income received in FY 2022-23 due to sale of portfolio to ARC  
<sup>#</sup>increased cost to income ratio due to increase in operational costs

## E. Business Segment Wise Performance

### Emerging Entrepreneurs Business (EEB)

Consistent with its longstanding commitment to financial inclusion and fostering economic opportunity within disadvantaged communities, your Bank has prioritised serving borrowers at the base of the economic pyramid. Your Bank's **EEB** strategy offers affordable and accessible loans, designed to empower individuals to establish and grow their businesses, ultimately transforming their lives.

Your Bank strategically expanded its network by establishing 4,597 Business Units ('BUS') across India. This growth prioritises financial inclusion while simultaneously enhancing portfolio quality by ensuring a focus on personalised service through a reduced client-to-BU ratio.

This year also witnessed a robust loan portfolio, with Group Loans amounting to ₹40,745.31 crore, Small Business and Agri Loans ('SBAL') at ₹21,501.74 crore, and Small Enterprise Loans ('SEL') reaching ₹5,671.83 crore. These figures highlight your Bank's commitment to both financial inclusion and implementing robust credit control measures to ensure portfolio health.

Your Bank now has several loan products under its Group Loans, SBAL and SEL categories, which are provided from BUs and branches to cater better to the varied demands and needs of its customers:

### Group loans

- Srishti Loan:** Timely funds to start a new business or grow an existing one. Loan size is from ₹15,000 to ₹1,50,000.
- Subridhhi Loan:** Loan amount is up to 50 per cent. of the disbursement amount of running primary loan. Sanctioned to help customers fulfil their extra business requirement during their ongoing loan.

3. **Suraksha Loan:** Loan size is up to ₹15,000 and is sanctioned to help existing customers meet their emergency expenses, e.g.- medical, drinking water and sanitation.
4. **Sushiksha Loan:** Loan size is up to ₹10,000 and is sanctioned to help customers meet expenses towards the education of their children.
5. **Bazaar Loan:** With a loan size from ₹26,000 to ₹1,50,000, this product is for small entrepreneurs, who have an existing super-saver account with your Bank. This loan provides financial support to deposit customers for their working capital needs.

### Small Business and Agri Loans

1. **Sahayata Loan:** Loan to fund growing business needs of individuals involved in an array of income generation activities. Loan amount is from ₹50,001 to ₹5,00,000.
2. **Suyog Loan:** Loan amount is up to 50 per cent. of the disbursement amount of running Sahayata loan. Sanctioned to help customers fulfil their additional short-term business requirement during their ongoing loan.

### Small Enterprise Loan ('SEL')

In the current economic scenario, India is a country burgeoning with small businesses which are regularly in need of short to medium-term funding to maintain and grow their businesses. The SEL vertical empowers these businesses to expand by extending them business loans tailored to suit their needs. As on March 31, 2024, the SEL book stood at ₹ 5,671.83 crore, with over 1.22 lakh customers.

The following products are presently offered under SEL:

- **SEL Term Loans (₹1.01 lakh to ₹10 lakh)**  
These are term loans with a tenure of one to three years, and they are aimed towards financing working capital or asset creation needs of small businesses or other short-term business requirements.
- **SEL Max Loans (₹10.01 lakh to ₹25 lakh)**  
This is similar to SEL Term Loans, but it is targeted towards slightly larger enterprises in terms of revenue, which might need loans of value higher than ₹10 lakh.
- **SEL Cash Credit (₹5 lakh to ₹25 lakh)**  
This is a revolving credit facility, whereby a limit will be set up in the customer's loan account and the customer can avail of whatever amount is required and pay interest only on the utilised amount. The limit is subject to renewal on a yearly basis.
- **SEL Secured Overdraft Loans (₹10.01 lakh to ₹25 lakh)**  
This overdraft product has been added to your Bank's SEL product bouquet during FY 2023 with a vision to cater to the MSME borrowers who need working

capital in the form of an overdraft and are willing to pledge security for the loan. The range for this product is from ₹10.01 lakh to ₹25 lakh and the overdraft limits are subject to renewal on a yearly basis.

During the FY under review, your Bank has taken various initiatives:

- to strengthen the credit assessment process for Group Loan and SBAL, and SEL in order to have a better portfolio. Your Bank has further deployed a separate Loan Sanctioning Team to manage the loan sanctioning process for Group Loans.
- Deployed a separate independent Recovery Team to improve recovery collections from delinquent customers. Business team will focus on collections from standard accounts to restrict slippages while the recovery team will have a focused approach for collection from NPA accounts.
- Deployed several analytics-driven models to improve both, sourcing and recovery. Some of the key initiatives in this regard are: identification of good borrowers for a higher ticket loan based on a data-driven renewal base; identification of potential borrowers for graduating to individual loan, categorisation of delinquent borrowers based on their propensity to repay; and prioritising collections accordingly, etc.
- Training customers under EEB vertical, to make them aware about the benefits of digital payments and various other aspects, such as seeding bank accounts with mobile number and Aadhaar. Your Bank has also taken initiative by informing the customers to pay through online transactions.

Your Bank has always placed strong emphasis on training and development, via online and classroom training sessions, which would upskill and reskill staff to ensure that they stay relevant to the fast-changing world across levels and locations.

### Branch Banking

Your Bank offers a diversified suite of retail liability products, meticulously designed to address the varied banking needs of its clientele across all customer segments. Your Bank prioritises customer satisfaction by fostering a culture of continuous innovation, ensuring that its convenient and effective banking solutions consistently meet the evolving needs of its valued customers.

During FY 2023-24, your Bank's deposit portfolio witnessed a robust growth of 25 per cent. with a total deposit base of ₹1,35,202 crore as on March 31, 2024. The growth in deposits was primarily driven by the varied liability products

of term, savings and current account deposits with the total retail deposit (CASA + Retail Term Deposit) book growing by 22 per cent.

Your Bank's commitment to a comprehensive and customer-centric product offering is exemplified by its focus on distinct customer segments. The 'Affluent' segment, featuring premium products like Elite & Premium Savings Accounts, has significantly strengthened your Bank's savings proposition. Recognising the specific needs of senior citizens, your Bank launched the 'Inspire' programme, offering specialised services tailored to this demography. Building upon this success, your Bank plans to further expand its segment-specific offerings to cater to the diverse needs of its growing customer base.

Furthermore, your Bank prioritises effective communication by developing product-focused campaigns. These initiatives aim to educate customers about features, rates, and the integration of technology-driven services. This year saw the introduction of the RuPay Platinum Debit Card, reiterating your Bank's commitment to providing customers with enhanced value propositions, features, and a wide range of debit card choices. This comprehensive debit card portfolio generated a total card fee income of more than ₹70 crore as on March 31, 2024, encompassing issuance fees, annual fees, and reissue fees.

Your Bank's Current Account segment exhibited robust performance during FY 2023-24, characterised by consistent customer balances and a commitment to sound financial management practices. Strategic initiatives including enhanced EDC penetration, CAM Channel development, re-engagement with ETB customers via NEEV project, and intensified focus on new branches have effectively met customer demands, demonstrating resilience in a competitive market landscape. The overall Current Account Book has sustained a commendable growth rate of 51 per cent. as on March 31, 2024.

Your Bank's extensive branch network has been a fundamental driver of its success. FY 2023-24 witnessed a significant expansion with the inauguration of 289 new branches across the nation. This strategic growth initiative has bolstered your Bank's overall presence, bringing the total number of branches to 1,700 strategically located to serve diverse communities throughout India. To fortify its relationship with customers, your Bank is engaging in communication through marketing campaigns, social media outreach, and branch-level initiatives. Your Bank has also seamlessly transitioned to the latest Core Banking System - Flexcube and rolled out a new Internet Banking platform and mBandhan app, boasting upgraded features.

Your Bank will continue to harness technology to provide innovative digital solutions that prioritise security, convenience, and user-friendliness. Your Bank is dedicated to delivering top-notch banking solutions to the customers and eagerly anticipates serving them with unwavering zeal and commitment in the years ahead.

### **Merchant Acquiring Business (MAB)**

Merchant Acquiring Business is an integral part of the digital ecosystem, providing necessary infrastructure to acquire merchants and facilitating them to accept payments through different modes of digital transactions. MAB of your Bank is built on the philosophy of customer-centricity, with a keen focus on people, processes and technology. MAB plays a pivotal role in attracting current account relationships.

IoT (Internet of Things) is one aspect that has fundamentally changed the nature of banking, and MAB is aggressively on boarding PoS/ EDC devices with incremental month-on-month numbers and providing PG (Payment Gateway) services to all categories of merchants. With the number of on-boarded PoS, your Bank is creating a positive impact on the digitisation ecosystem. Your Bank has launched a number of value-added services to cater to its existing and potential merchants and are planning to launch a range of new products in the next financial year.

Your Bank offers Merchant Acquiring Services through its large branch network of more than 1,665 branches at attractive rates to its existing as well as new customers. This business has grown at a rate of 326 per cent. on the acquisition front and 52 per cent. growth in throughput compared to the previous year, leading to the build-up of balances in linked accounts.

### **Wholesale Banking**

#### **Financial Institution Group (FIG)**

Your Bank continuously strives to meet the diverse credit needs across sectors, with a dedicated focus on Institutional Lending catering to NBFCs, Housing Finance Companies ('HFCs') and public financial institutions. Your Bank also has credit exposure through Direct Assignments and Investment exposure through Pass Through Certificates ('PTCs') and Non-Convertible Debentures ('NCDs'). In the NBFCs segment, your Bank's primary focus is secured financing through housing loan, loan against property, gold loan, business purpose loan, commercial & vehicle financing, etc. While in the NBFC-MFI (Microfinance institutions) segment, the focus is to cater primarily to the priority segment funding. FIG segment has a diverse portfolio with geographical presence across the country. The FIG portfolio stood at ₹12,814.89 crore as on March 31, 2024 as compared to ₹10,386.72 crore as on March 31, 2023, representing a growth of 23 per cent. over previous financial year.

#### **Mid-Market Group (MMG)**

MMG offers loan products to majorly Small & Medium Enterprises ('SMEs') and large corporate borrowers for meeting their working capital and capital expenditure requirements, including non-fund based facilities. These are generally secured loans extended to businesses involved in manufacturing, trading, services, etc., with acceptable credit ratings. This segment offers both fund-based and non-fund based facilities including term loan, cash credit, overdraft, loan against property, construction/ project finance, lease



rental discounting, Letter of Credit ('LoC'), Bank Guarantee ('BG'), etc. MMG book stood at ₹6,700.68 crore as on March 31, 2024 as compared to ₹3,605 crore as on March 31, 2023, representing a growth of 86 per cent. over previous financial year.

#### Commercial – LAP

This segment caters primarily to proprietorships, partnerships and private limited companies for Loans Against Property ('LAP'). This is in line with your Bank's overall objective of increasing the secured lending portfolio. The segment will leverage your Bank's branches besides sourcing from the open market, along with a higher level of engagement to meet additional financial requirements of customers. This segment offers a bouquet of income-linked programs to cater to most of the sectors in the market. The book-size stood at ₹515.50 crore as on March 31, 2024 as compared to ₹53.14 crore as on March 31, 2023, representing a significant growth of 870 per cent. over previous financial year. As we move along, your Bank will use technology for better turnaround time which is essential for scaling up the business volume in this space.

#### Business Banking Group (BBG)

BBG offers loan products to Micro, Small and Medium Enterprises ('MSMEs') to meet their working capital or capital expenditure requirements. These are secured loans generally between ₹5 lakh to ₹15 crore extended to businesses involved in manufacturing, trading and services. The loans are extended in the form of secured credit facilities including term loan, cash credit, overdraft or lease rental discounting or as non-fund-based facilities like letter of credit or bank guarantee. Some of the schematic loan products offered by the segment are as follows:

- **SME Business Connect:** These loans help entrepreneurs in financing their working capital and capital expenditure requirements against primary security of current or fixed assets and collateral security including residential or commercial property or liquid securities. These loans, ranging from ₹10 lakh to ₹5 crore, are provided as fund-based facilities like overdraft, cash credit, or term loan and non-fund-based facilities like letter of credit or bank guarantees.
- **SME GST Connect:** These loans for financing entrepreneurs' working capital needs are provided as overdraft or fund-based facilities. These loans are offered against collateral security, which can be in the form of current assets, property or liquid securities. The loan quantum ranges from ₹25 lakh to ₹3 crore.
- **Bandhan CGTMSE Loan:** These loans are offered to finance the working capital and capital expenditure of Micro and Small Enterprises ('MSEs') and provided as fund-based and non-fund-based facilities, without any collateral security or third-party guarantee. The loan quantum ranges from ₹5 lakh to ₹5 crore, with credit guarantee of CGTMSE up to a maximum limit

of ₹5 crore per borrower. Collateral security for the remaining uncovered portion of the credit facility can be obtained under "Hybrid/ Partial Collateral Security" product, introduced by CGTMSE.

The BBG fund based Book stood at ₹1,009.65 crore as on March 31, 2024 as against ₹535 crore as on March 31, 2023, registering a growth of about 89 per cent. during FY 2023-24.

#### Agri-business Loans

Your Bank recognises the importance of this sector and offers a wide range of credit facilities to provide financial support to all participants in the Agri value-chain system. Currently, the segment provides Kisan Cash Credit ('KCC') loans to borrowers engaged in farming activities, including animal husbandry, horticulture, pisciculture, etc., with competitive interest rates and minimal documentation. This segment is expanding its reach by offering both fund-based and non-fund-based credit facilities to entities involved in agri-ancillary products and services, such as food and agri processors, agri input dealers, etc.; credit facilities to support development of agricultural infrastructure; financing to Corporate Agri customers, with a key focus to on-board quality customers; and commodity finance.

The book-size of this segment stood at ₹267.78 crore as on March 31, 2024 as compared to ₹126.52 crore as on March 31, 2023, a growth of 112 per cent. during FY 2023-24.

#### Housing Finance

Your Bank has continued its focus on the long-term strategy for Housing Finance. This business has seen a robust growth during FY 2023-24 in spite of the challenging macro-economic environment. In addition to the existing business channels, your Bank has introduced a Prime lending channel, which has impacted positively with a higher disbursement and portfolio growth along with a lowered delinquency risk. Your Bank has expanded its home loan network to over 450 branches offering housing loans and 320 Business units offering micro-home loans spread across 18 states and 2 union territories.

With a focus on acquiring quality business and reducing delinquency over the last financial year, your Bank has disbursed ₹7,270 crore during the financial year, a growth of 14 per cent. and has been able to reduce its GNPA to 1.6 per cent. from 3.9 per cent. during the financial year while growing the portfolio to ₹29,915.65 crore, at around a growth of 11 per cent. over previous financial year.

The introduction of Direct Sales Agent ('DSA') in the previous financial year has continued to gain traction, and has been contributing to overall disbursement. The newly introduced Prime channel has also seen a steady traction since its introduction during the FY 2023-24 and continues to contribute significantly to the overall business.

Your Bank's focus has still remained on affordable housing business, which is its primary strength. This is indicative by its sanctioning average ticket size of sub ₹20 lakh. During the FY, your Bank continued the special campaign "Junoon Rahe Barkaraar (JBR)" for higher ticket loans offering attractive and competitive rates of interest to customers with good credit history and high credit scores.

### Retail Assets

To expand its reach and cater to a wider range of customer demography, the Bank has implemented a strategic approach to its Retail Asset portfolio throughout FY 2023-24. This approach balances risk mitigation with product offerings. Customers now benefit from a comprehensive suite of loan options, including Gold Loans, Personal Loans, Two-Wheeler Loans, Car Loans, and Commercial Vehicle & Construction Equipment (CVCE) Loans.

**Gold Loan:** Your Bank's Gold Loan product is meticulously crafted to cater to customers' immediate financial needs with expediency. This loan option is distinguished by a streamlined documentation process, ensuring swift loan processing. Furthermore, your Bank's extensive branch network guarantees exceptional accessibility. The loan amounts ranging from ₹10,000 to ₹40,00,000 and flexible tenure options up to 3 years at competitive interest rates.

**Personal Loan:** During FY 2023-24, your Bank implemented a strategic review of the personal loan approach and optimised its customer acquisition approach ensuring continued alignment with the market dynamics. Throughout FY 2023-24, your Bank has been systematically expanding this sector across all distribution channels, encompassing key market segments. Personal loans are available within the range of ₹50,000 to ₹25,00,000 at competitive interest rates, with a maximum tenure of 5 years.

**Two-Wheeler Loan:** Your Bank has achieved remarkable and consistent growth, exceeding a customer base of 1,00,000 satisfied customers with over 90 per cent. of these new customers being previously unbanked. Leveraging its digital expertise, your Bank has streamlined the loan approval process, achieving an impressive average approval time of just 5 minutes for more than 90 per cent. of applicants. This revamped loan service is designed to cater to a broad spectrum of customer needs, offering financing of up to ₹5,00,000. Your Bank has aligned the product with industry best practices by introducing a dealer/ channel-based distribution model, which has significantly expanded your Bank's reach across diverse geographical locations.

**Car Loan:** The Car Loan product has been meticulously crafted to simplify vehicle ownership and enhance accessibility for all customers, offered at competitive interest rates and adaptable repayment options, it extends financial support for the acquisition of both new and pre-owned vehicles. By harnessing its digital capabilities, your Bank has streamlined the application process, ensuring a seamless experience

with swift approval times, thus enabling customers to realise their dream of owning a car sooner. Your Bank has developed a range of product schemes catering to a diverse array of customer profiles, including salaried individuals, self-employed individuals and non-individual entities, with loan amounts spanning from ₹1 lakh to ₹1 crore.

**CVCE Loan:** Road transport is crucial for moving goods and people as it offers complete connectivity and adaptability. Your Bank's CVCE loan is designed for self-employed individuals and businesses needing loans from ₹1 lakh to ₹15 crore. Your Bank is dedicated to providing exceptional value to its customers, using its wide branch network, partnerships with manufacturers and dealer connections to offer the best deals possible.

### Third Party Products

Your Bank currently distributes mutual funds, life insurance and general insurance, including health insurance and 3 in 1 online trading products to its customers. FY 2023-24 has been a year of transformation and integration. Your Bank continues to demonstrate a continued focus on offering a value led, robust and comprehensive product proposition to its customers. Your Bank has also been working tirelessly to build a strong distribution ecosystem augmented by analytics and technology to offer the best in class insurance solutions to its customer base.

In the General Insurance business, your Bank continued to serve its customers in their quest towards healthy living, by offering them a wide variety of health insurance solution-based product propositions. In mutual funds distribution, your Bank continues to focus on a research-driven distribution strategy with a vision of providing its customers ease and flexibility while planning for investments. This year your Bank has launched the distribution of Mutual Funds through its Mobile Banking (**mBandhan**) platform, which along with the existing distribution available through the Retail Internet Banking (**'RIB'**) platform demonstrated your Bank's continuous efforts towards offering customers further convenience and benefits.

The total mutual fund AUM managed under your Bank's code during FY under review was ₹1,024.84 crore, earning an income of ₹6.31 crore. A total of ₹131.55 crore and ₹519.85 crore of general and retail life insurance business, respectively, were garnered through the retail network during FY 2023-24, earning a fee income of ₹15.16 crore and ₹214.80 crore, respectively. During FY under review, the life insurance business through all asset verticals amounted to ₹279.59 crore, earning an income of ₹47.10 crore. Your Bank has also earned ₹0.15 crore as commission for the distribution of Atal Pension Yojana, NPS Lite Swavalamban schemes of PFRDA and others during the FY 2023-24.

### Digitising Bandhan 2.0

Bandhan Bank is committed to enhancing its digital offerings with a focus on risk management, customer-centricity and digital analytics.

Your Bank has successfully launched a new Internet Banking platform and the mBandhan mobile app, featuring over 175 functionalities, delivering a modern banking experience. Regular improvement in delivery, underscores your Bank's successful efforts in promoting digital banking channels and enhancing customer awareness of digital banking products.

Your Bank aspires to become a digitally enabled bank by focusing on the following key areas:

- **User Experience:** Improving design principles and conducting user research to ensure customer-centric digital experiences.
- **Developing a number of digital product stacks** – E.g.: Savings Account Stack Development which is aimed at tailoring savings account products to various customer profiles.
- **Platform Optimisation:** Ensuring continuous platform performance improvement and optimised processes for both retail and corporate clients.
- **Digital Payment Innovation:** Introducing new functionalities and innovative products in line with our customer's expectations
- **Mobile Security:** Continuously enhancing safety measures and adhering to regulatory controls for digital payment security.

Your Bank remains dedicated to innovation, enhancing customer experience and leveraging technological advancements to simplify and improve banking services.

### Data Science and Analytics

The Data Science and Analytics function is one of the most critical functions for your Bank. The Analytics Team was set up during FY 2022-23 and by the end of FY 2023-24, Analytics Team strength has grown significantly. The objective of this team is to provide accurate and timely information using internal and external data, provide early warnings about emerging risks, and bring operational efficiency.

This Team supports all the business verticals at every stage of the customers' lifecycle journey. It helps your Bank to grow profitably, manage risk, ensure better customer experience and improve operation efficiency and accuracy. The analytics function develops statistical models (including AI-ML) for onboarding new customers, managing existing customers and retaining profitable customers. It provides prospect leads for retaining good customers, new product penetration to existing customers, and pre-approved offers. It also helps your Bank to identify emerging areas of risk, process improvement, and prioritise and optimise collection efforts.

## F. Internal Financial Control

Your Bank engages external firms to carry out independent reviews of internal controls, processes, reporting, etc., and recommendations, if any, are made by them to the Bank/ ACB for improvement.

Considering the internal financial controls of the Bank, and the work performed by the auditors, including the audit of internal financial controls over financial reporting by the auditors and the reviews performed by management under the supervision of the ACB, the Board of Directors is of the opinion that the internal financial controls established and maintained by the Bank are adequate.

## G. Risk and Concerns

Your Bank is exposed to various risks by the very nature of its business. Your Bank has put in place a comprehensive Enterprise-wide Integrated Risk Management Framework supported by detailed policies and processes for the management of Credit Risk, Market Risk, Liquidity Risk, Operational Risk and various other risks. Please refer to the section 'Risk Management' of the Board's Report for details.

## H. Development in Human Resources Human Capital

Your Bank's greatest asset is its people. Maintaining relevant and competitive HR policies and practices is an ongoing endeavor. Since its inception, your Bank has balanced experienced staff with new talent, providing opportunities for career progression. During FY 2023-24, your Bank continued transitioning processes from traditional to digital platforms, enhancing user experience, streamlining operations, and boosting productivity. Your Bank's efforts also focused on improving performance, enhancing employee wellness, aligning learning modules with in-demand skills, and fostering a robust forum for feedback. Emphasis was placed on building strong, collaborative and empathetic leadership. Additionally, your Bank continued expanding branches and channels to increase market penetration and solidify its position as a Bank for all. Through continuous enhancement of HR practices, your Bank strives to remain a dynamic, inclusive and innovative workplace.

### Building Capabilities and Capacities

Your Bank's key talent acquisition processes remained on track during FY 2023-24; manpower increased by 8.83 per cent. from 69,702 in FY 2022-23 to 75,748 as on March 31, 2024. Your Bank has enhanced its geographical network to 1,700 Branches and 4,597 Banking Units during FY 2023-24. Your Bank has introduced several verticals, such as Bank Control Unit, Customer Experience, Process Quality and Transformation & Recovery in FY 2023-24 for improved internal controls, risk management, process optimisation, quality assurance and enhanced customer satisfaction and relationship management.

### Talent Acquisition

To support the Bank's expansion journey and fulfil its commitment to superior service delivery and operational excellence, the Bank has quadrupled its workforce since inception. The total workforce of your Bank stood at an impressive 75,748 as against 69,702 in the previous year. The new employees were recruited from a variety of functions and skill sets, the ones that your Bank is focussing on for

the next phase of growth and those that will assist the Bank to achieve its near-term and long-term strategic goals. Campus recruitment drives were organised to contribute to the growth and development of young professionals entering the workforce and creating a talent pipeline for the upcoming years. Your Bank visited 95 top ranked institutes and handpicked 680 young talents for various roles and locations across India.

### Employee Engagement

Your Bank's growth story has been fuelled by its committed and motivated employees who make the Bank an exceptional place of work. In an endeavour to motivate them and build a happy and satisfied workforce, employee engagement programmes have been a regular feature on your Bank's annual calendar. In the year under review, your Bank organised multiple town-halls with the top management. Cricket tournament, Women's Day celebration, festival celebrations and other local level engagement programmes were also organised to boost employee morale. Aiming to enhance employee wellness, various health awareness initiatives were planned by your Bank. These included online health awareness programmes, regular communication to employees on topics such as potential health risk at workforce and road safety, and a session on 'Prevention of Diabetes' on World Diabetes Day. Additionally, a webinar on 'Common Gynaecological Problem for Working Women' was also conducted on the International Women's Day. Service Awards were further distributed to recognise and appreciate employees' long-term association with your Bank.

### Learning, Development & Talent Management

During FY 2023-24, your Bank accelerated its efforts towards building a strong Learning and Development ('L&D') proposition for its employees, in alignment with its strategy for growth across new businesses. The L&D programmes aimed at equipping the employees with the necessary skillset, mindset and knowledge to meet the challenges of the rapidly changing banking landscape in the country. Focused on key strategic initiatives, your Bank formulated and implemented engaging learning initiatives to build and enhance employee competencies. Thematic programmes to improve employee productivity, ensure strict compliance to risk culture and regulations, increase employee engagement, foster employee wellness and develop digital skill building were also organised.

### Performance Management

A structured succession planning and leadership development process enables your Bank to identify and groom leaders for next level roles. Your Bank closely tracks the leadership bench for senior management positions and has created a strong pipeline for critical leadership roles. Contributing to a positive work environment and long-term organisational success, your Bank has promoted 8,709 employees through a competency-based grade promotion process. In alignment with its Succession Planning Policy, most leadership positions arising from your Bank's growth and expansion were filled through internal role elevations. This policy was also extended to mid-level positions in retail lending.

#### I. Culture of Ethics

The Code of Conduct and Ethics ('Code') articulates your Bank's commitment to conduct business in accordance with the highest ethical standards and in compliance with all applicable laws, rules and regulations. At Bandhan Bank, ethical behaviour is doing "what is right when no one is watching?". Making it inseparable from honesty, integrity and good judgment, all employees follow the Code with a high degree of professional and ethical standards. In the journey of over eight years, your Bank has strengthened its workforce by 4x resulting in an exciting blend of energetic new and experienced old workforce focussed towards a culture of professionalism, value driven growth and ethical governance. Human Resources has strategically focussed on a supportive and collaborative work environment, remaining customer-centric, performance driven and future ready.

#### J. Disclosure of Accounting Treatment

The Financial Statement have been prepared under the historical cost convention and on the accrual basis of accounting, unless otherwise stated and in compliance with the requirements prescribed under the Third Schedule (Form A and Form B) of the Banking Regulation Act, 1949. The accounting and reporting policies of your Bank used in the preparation of the Financial Statement conform to Generally Accepted Accounting Principles in India (Indian GAAP), the guidelines issued by the RBI from time to time, the accounting standards notified under Section 133 and other relevant provisions of the Companies Act, 2013, read together with the Companies (Accounting Standards) Rules, 2021, as amended, from time to time, to the extent applicable and practices generally prevalent in the banking industry in India.

For and on behalf of the Board of Directors  
**Bandhan Bank Limited**

**Anup Kumar Sinha**  
Non-Executive (Independent) Chairman  
(DIN: 08249893)

Place: Kolkata  
Date: July 26, 2024

## Annex - 6

# Business Responsibility & Sustainability Report

FY 2023-24

## Message from the MD&CEO on Sustainability

### Dear Shareholders,

It gives me immense pleasure to present the Business Sustainability and Responsibility Report ('BRSR') of your Bank for the Financial Year 2023-24. Since its inception, your Bank has carved a unique position in serving society through its inclusive banking as envisioned in its mission and vision statements. The statement 'Apka Bhala, sabki bhalai' sums up your Bank's purpose. With 75.30 per cent. of 36.6 million customers belonging to Emerging Entrepreneurs Business and 70 per cent. of its 6,735 banking outlets, being in semi-urban and rural areas, is evident enough to demonstrate your Bank's commitment to serving the unbanked and the underbanked section of society.

The trust of the consumers, is key to exceptional growth both in terms of deposits and advances, exceeding the 1 lakh crore mark. The total deposits stood at ₹1.35 lakh crore, with over 25 per cent. YoY growth whereas, advances (Net) reached 1.21 lakh crore, with over 15.6 per cent. YoY growth.

Your Bank has relentlessly demonstrated strong governance since its inception with a majority of independent directors, including the Chairman and the position of the Chairman, has separate offices for the non-executive chairman and MD&CEO, ensuring the highest governance standards. Under the leadership of your Bank's core management team, 75,748 employees are committed to bringing the best practices in providing banking services to all its stakeholders with the highest integrity, compliance, accountability and ensuring a 'High-tech and High-touch' model of customer services.

Your Bank's Corporate Social Responsibility programmes are testaments to inclusive growth and empowering communities. Your Bank through its CSR initiatives reached out to more than 24.47 lakh families and has helped them improve their lives through programmes like Targeting Hard-core Poor, health, education, skill development, financial literacy, business incubation and Climate Action Programme that are aligned to the United Nations Sustainable Development Goals.

Your Bank is committed to the protection of the environment and has undertaken the plantation of more than 4.17 lakh samplings and has contracted 50 water harvesting structures for water conservation. These initiatives have led to the sequestration of CO<sub>2</sub> and rainwater harvesting that partially offsets the carbon footprint and water consumption of your Bank.

Finally, I would like to conclude by assuring you that the banking system of your Bank remains a people-oriented business and will continue to be so. I want to thank all stakeholders for their continued confidence in your Bank. With your sustained support, the Bank will continue on its purpose of serving the aspirations of New India and delivering consistent value for all.

Warm regards,

**Ratan Kumar Kesh**

Managing Director & Chief Executive Officer  
(DIN: 10082714)



## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L67190WB2014PLC204622
2.	Name of the Listed Entity	Bandhan Bank Limited
3.	Year of Incorporation	2014
4.	Registered office address	DN-32, Sector – V, Salt Lake, Kolkata – 700 091, West Bengal
5.	Corporate address	Floors 12-14, Adventz Infinity@5, BN-5, Sector V, Salt Lake City, Kolkata- 700 091, West Bengal
6.	E-mail	<a href="mailto:investors@bandhanbank.com">investors@bandhanbank.com</a>
7.	Telephone	+91 33 6609 0909
8.	Website	<a href="http://www.bandhanbank.com">www.bandhanbank.com</a>
9.	Financial year for which reporting is being done	April 1, 2023 – March 31, 2024
10.	Name of the Stock Exchange(s) where shares are listed	<ul style="list-style-type: none"> <li>National Stock Exchange of India Limited ('NSE')</li> <li>BSE Limited ('BSE')</li> </ul>
11.	Paid-up Capital	₹16,10,96,97,480
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR Report	Siddhartha Sanyal, Executive Vice President Telephone: 033-66090909/ 033-40456456 Email: <a href="mailto:info@bandhanbank.com">info@bandhanbank.com</a>
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Since the Bank does not have any subsidiary or associate companies, this report is made on a standalone basis.
14.	Name of assurance provider	Not Applicable
15.	Type of assurance obtained	Not Applicable

### II. Products/ services

#### 16. Details of business activities (accounting for 90% of the turnover):

Sl. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the Entity
1.	Banking Products & Services	The banking products and services include treasury, retail banking, microfinance, corporate/ wholesale banking and other third-party product distribution.	100%

#### 17. Products/ Services sold by the entity (accounting for 90% of the entity's turnover):

Sl. No.	Product/ Service	NIC Code	% of total Turnover Contributed
1.	Banking products & services of commercial banks and savings banks	64191	100%

### III. Operations

#### 18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	Not applicable	6,735*	6,735*
International		0	0

\*Includes 4,597 banking units; 1,700 Branches and, 438 ATMs

**19. Markets served by the entity:**

a. Number of locations	Locations	Number
	National (No. of States & UTs)	Presence in all 28 states and 7 Union Territories (except Lakshadweep)
	International (No. of Countries)	Not applicable
b. What is the contribution of exports as a percentage of total turnover of the entity?	The Bank provides Banking services, including deposits and lending services within India. Therefore given the nature of banking services exports of any nature do not apply to banking companies.	
c. A brief on types of customers	<p>The Bank has 33.6 million customers, of which more than 75% (25.3 million) customers are Emerging Entrepreneurs Business ('EEB') customers. These customers belong to the following banking services:</p> <p><b>Retail Banking:</b> The retail banking services cater to individuals, salaried professionals, self-employed professionals, farmers, students, micro and small businesses, trusts, women groups, entrepreneurs etc., in metropolitan, urban, semi-urban and rural areas. The services entails loans, deposits and other products and services.</p> <p><b>Wholesale/ Commercial Banking:</b> The wholesale banking services cater to corporates, government, financial institutions, education institutions, MSMEs public sector units etc. The services entails commercial and transactional banking services.</p>	

**IV. Employees****20. Details as at the end of Financial Year – 2023-24****a. Employees and workers (including differently abled):**

Employees and workers (including differently abled):						
Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	75,748	67,308	88.86%	8,440	11.14%
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total employees (D + E)	75,748	67,308	88.86%	8,440	11.14%
WORKERS						
4.	Permanent (F)	Not Applicable				
5.	Other than Permanent (G)					
6.	Total workers (F + G)					

**Note:**

- All the employees of the Bank are on-rolls and there are no employees that are not on the rolls of the Bank. Accordingly, KPIs related to other than permanent are nil in any of the tables of the prescribed BRSR format.
- The Bank does not employ any workers. Accordingly, KPIs related to workers are nil in any of the tables of the prescribed BRSR format.

**b. Differently abled employees and workers**

Sl. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	6*	6*	100%	0	0%
2.	Other than Permanent (E)					
3.	Total differently abled employees (D+E)	6*	6*	100%	0	0%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)		Not Applicable			
5.	Other than permanent (G)					
6.	Total differently-abled workers (F+G)					

\*Based on voluntary disclosure by the employees.

**21. Participation/ inclusion/ representation of women**

	Total (A)	No. and the percentage of females	
		No. (B)	% (B/A)
Board of Directors	14	2	14.29%
Key Management Personnel *	5	-	-

\*includes the MD&CEO and two Whole-time Directors, the CFO and the Company Secretary

**22. Turnover rate for permanent employees and workers**

	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	21.45%	27.27%	22.14%	31.60%	43.43%	32.78%	23.25%	33.00%	24.19%
Permanent Workers	Not applicable								

**V. Holding, Subsidiary and Associate Companies (including joint venture)**
**23. a. Name of the holding/ subsidiary/ associate companies/ joint ventures**

Sl. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture (B)	% of shares held by the listed entity (C)	Does the entity indicated in column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/ No) (D)
The Bank does not have any holding/ subsidiary/ associate companies/ joint ventures.				

**VI. CSR details**
**24. i. Whether CSR is applicable as per Section 135 of the Companies Act, 2013 (Yes/No):**

Yes

**ii. Turnover:**

₹2,10,34,27,17,205 (FY 2023-24)

**iii. Net worth:**

₹2,03,65,50,03,262 (FY 2023-24)

**VII. Transparency and Disclosures Compliances**
**25. Complaints/ Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC)**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanisms in Place (Yes/ No) (If yes, then provide web-link for grievance redressal policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks
Communities	Yes <a href="https://bandhanbank.com/pdfViewerJS/index.html#../sites/default/files/2023-01/Business-Responsibility-and-Sustainability-Reporting-policy-210123.pdf">https://bandhanbank.com/pdfViewerJS/index.html#../sites/default/files/2023-01/Business-Responsibility-and-Sustainability-Reporting-policy-210123.pdf</a>	0	1	The case filed by the pro-Bengali advocacy organisation has since been closed.	1	1	A case was filed by the pro-Bengali advocacy organisation Bangla Pokkho entailing all banking documents published by the Bank should be in English, Hindi and Bengali.

Stakeholder group from whom complaint is received	Grievance Redressal Mechanisms in Place (Yes/No) (If yes, then provide web-link for grievance redressal policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks
Investors (other than shareholders)	Not Applicable	0	0	Not Applicable	0	0	-
Shareholders	Yes <a href="https://bandhanbank.com/pdfViewerJS/index.html#../sites/default/files/2023-01/Business-Responsibility-and-Sustainability-Reporting-policy-210123.pdf">https://bandhanbank.com/pdfViewerJS/index.html#../sites/default/files/2023-01/Business-Responsibility-and-Sustainability-Reporting-policy-210123.pdf</a>	201	3	The pending 3 complaints have since been closed. The communications from shareholders pertain to dividends-related queries, transfer/transition of shares, Annual Reports etc.	169	3	Pending complaints have been resolved during FY 2023-24
Employees	Yes <a href="https://bandhanbank.com/pdfViewerJS/index.html#../sites/default/files/2023-01/Business-Responsibility-and-Sustainability-Reporting-policy-210123.pdf">https://bandhanbank.com/pdfViewerJS/index.html#../sites/default/files/2023-01/Business-Responsibility-and-Sustainability-Reporting-policy-210123.pdf</a>	Whistleblower – 40 POSH- 21 Court Cases by ex-employees -35	Whistleblower - 7 POSH- 04 court cases by ex-employees – 61	All pending cases of whistleblowers and POSH have since been closed. Out of 70 court cases 61 are pending as of March 31, 2024. The nature of employees' complaints varies from breach of code of conduct, POSH, breach of ethical behaviour and practices and other behavioural issues.	514	62	Includes 41 carry-forward court cases and 6 new cases out of which 12 have been disposed off. The balance of 15 pending complaints from the employees, including POSH and whistleblowers was resolved during FY 2023-24

Stakeholder group from whom complaint is received	Grievance Redressal Mechanisms in Place (Yes/No) (If yes, then provide web-link for grievance redressal policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks
Customers	Yes <a href="https://bandhanbank.com/sites/default/files/2024-02/Customer-Policy-010224.pdf">https://bandhanbank.com/sites/default/files/2024-02/Customer-Policy-010224.pdf</a>	60,672	1,774	Out of 1,150 pending complaints, 1,110 have since been closed. Out of 60,672 complains, 342 are court cases that have been filed in the FY 2023-24. As of March 31, 2024, 624 court cases were pending which includes cases from previous years	37,951	1,734	Out of 1,734 cases, 314 are court cases, of which 13 have been closed during FY 2023-24.
Value Chain Partners	Yes <a href="https://bandhanbank.com/pdfViewerJS/index.html#../sites/default/files/2023-01/Business-Responsibility-and-Sustainability-Reporting-policy-210123.pdf">https://bandhanbank.com/pdfViewerJS/index.html#../sites/default/files/2023-01/Business-Responsibility-and-Sustainability-Reporting-policy-210123.pdf</a>	0	0	No complaints has been received from value chain partners	0	0	-
Others (please specify)	-	-	-	-	-	-	-

## 26. Overview of the entity's material responsible business conduct issues:

**Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk, along with its financial implications, as per the following format:**

Materiality assessment is the process of determining topics (issues) that can impact economic, environmental, social and governance attributes in banking operations. It has the potential to influence the decisions of stakeholders, who are willing to partner like customers, shareholders, lenders and investors. The preliminary step in materiality assessment is to identify and consult with the right set of stakeholders (or representatives) who can provide useful insights. The materiality assessment process includes –

- Identification of sector-specific material topics:** The process involves identifying relevant peer companies across the banking sector and mapping standards like the Global Reporting Initiative ('GRI'), United Nations Sustainable Development Goals ('UN SDGs'), International Integrated Reporting Council ('IIRC') requirements, to understand the appropriate material topics.
- Identification of external stakeholders:** The Bank assesses the impact of its banking operations on its investors, customers, employees, community, regulatory bodies, value chain partners, media, civil and societies to evaluate ways to further improve stakeholder value creation.



- c) **External stakeholder consultation:** The Bank liaisons with external stakeholders and seeks their perception and comments on the identified material topics. Such material topics are further prioritised basis of the importance they hold to each stakeholder group and their feedback.
- d) **Prioritisation of material topics relevant to the Bank:** External stakeholder responses are first assessed and collated. The collated material topics are categorised into low, medium and high categories and finally, the materiality map is finalised post consultation with the decision-making committee and senior leadership team.

The Bank remains committed to implementing relevant policies to ensure responsible banking conduct and undertake required sustainability initiatives. Based on the prioritised material topics, the Bank has identified relevant risks and opportunities that are mentioned below. This report includes information, which is material to all stakeholders of the Bank, and it presents an overview of the Bank's businesses and associated activities. The Bank discloses matters that substantially impact or affect the Bank's ability to create value. To ensure effective mitigation of identified risks, the Bank carries out a materiality analysis, to identify topics material to the Bank and its stakeholders. The sensitivity of an issue to stakeholders and the Bank, in terms of importance, forms the basis of the materiality analysis, which in turn guides the processes for identifying, managing, and devising specific action plans for addressing these material aspects. Every material topic is taken into account, and the Bank has policies and procedures in place to address these topics in order to create sustainable growth and long-term value.

Sl. No.	Material issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Climate Change-Related Risks	Risk	<ul style="list-style-type: none"> <li>Climate-related risks refer to the potential risks that may arise from climate change or from efforts to mitigate climate change, its impact and the economic and financial consequences.</li> <li>It can impact the financial sector through two broad channels- physical risks and transition risks.</li> <li>Physical Risk: The physical impacts from climate change will feed through to an economy in various ways, including damages to physical assets through extreme weather, reduced agricultural productivity, heat-related health and medical issues, and loss of biodiversity.</li> <li>Transition Risk: It refers to the risks arising from the process of adjustment towards a low-carbon economy. A range of factors influences this adjustment, including changes in climate-related policies and regulations, the emergence of newer technologies, shifting sentiments and behaviour of customers. The process of transition, i.e., reducing carbon emissions may have a significant impact on the economy.</li> <li>The uncertainty about the timing and severity of climate-related risks like physical risk and transition risk threatens the safety, soundness and resilience of regulated entities (REs) and in turn, it affects the overall stability of the financial system.</li> <li>Financial, reputational, regulatory and market risk implications are becoming increasingly prominent with increased threats of climate change such as but not limited to floods, droughts, erratic rainfall, supply chain disruptions, change in market perception and shift towards more environmentally friendly products and services.</li> </ul>	<ul style="list-style-type: none"> <li>The Bank has a robust governance structure to develop climate-related risk mitigation strategies, ensure effective implementation of the identified levers and monitor performance against such risks at regular intervals.</li> <li>The Bank ensures that climate-related risks like floods, cyclones and external rating impact on industries with CO2 emissions are properly reflected in the Bank's short-term and long-term capital planning under the Internal Capital Adequacy Assessment Process (ICAAP)* through stress testing and impact analysis.</li> <li>*(ICAAP under BASEL accord – a mechanism to ensure the institution's strategic focus, business plan and internal procedures for ensuring adequate possession of long-term capital resources to cover all material risks.)</li> <li>The Bank is deliberating to embark on a journey of advocating sustainability in its value chain, such as assessment of the GHG emission footprint of its lending portfolio, lender's customer targets and commitments on ESG resource optimisation, evaluating the quantum of collateral positioned in high-risk flood/drought-prone areas, checking green building certifications of real estate portfolios, social inclusivity of corporates, SME &amp; MSME customers.</li> <li>Within its operation, the Bank is considering greening the branches and data centres, eliminating the use of paper in the operations, introducing the option of e-receipts on registered mobile numbers at their ATMs, evaluating options of switching over to renewable energy for sourcing power gradually and future-proofing operations against regulatory requirements.</li> </ul>	<p>Negative financial implications:</p> <ul style="list-style-type: none"> <li>Financial/Credit risk: Rising frequency and severity of extreme weather events can impair the value of assets held by the Banks' customers, or impact supply chains affecting customers' operations and profitability and leading to higher loan defaults and NPAs.</li> <li>Market risk: Increased volatility in investments because of shifts in investor preferences or climate-induced adverse effects might lead to a decline in lending portfolio valuation.</li> <li>Reputational risk: Failure to address the challenging climate change vulnerabilities will affect stakeholders' trust resulting in loss of customer base.</li> </ul>

Sl. No.	Material issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2.	Employee Engagement	Opportunity	<ul style="list-style-type: none"> <li>People transformation is one of the agenda for the Bank's Vision 2025. People are at the forefront of customer interactions and also the strongest brand ambassadors on the ground.</li> <li>The Bank's Human Resources (HR) policies and practices are designed to empower people and provide them with an environment where they can deliver their best every day.</li> <li>Building an innovative work environment to foster employee well-being, enhance relationships and sustain long-term productivity by providing work-life balance, better career progression, healthy &amp; safe working environment and aim towards becoming an appealing employer.</li> </ul>	Approach to adapt or mitigate is provided in case of risk only. Hence, not applicable.	<p>Positive financial implication: Employee welfare initiatives might lead to higher talent retention improve the Bank's brand image and impact the performance of the employees.</p> <p>Our human resources management strategy is centered on creating a supportive, interesting, and collaborative workplace while continuing to be customer-centric,</p> <p>Performance-driven, and future-ready. The Bank has received the 'Gallup Exceptional Workplace Award' in recognition of its efforts in the area of employee engagement.</p> <p>The Bank ranks among the most prestigious companies that are genuinely altering how people perceive work and life as award winners.</p>
3.	Customer Value	Opportunity	<ul style="list-style-type: none"> <li>Ensuring customer satisfaction and maintaining transparency are essential for business growth, as they help to maintain customer trust and make them feel valued.</li> <li>Our fast-paced growth momentum and agility open up the scope for tapping the changing needs of customers and addressing their emerging preferences.</li> </ul>	Approach to adapt or mitigate is provided in case of risk only. Hence, not applicable.	<p>Positive financial implication: Improved customer satisfaction through customised customer experiences will ensure improved business through customer retention and factor in existing customer recommendations for tapping new customers.</p> <p>The Bank scored 46 on Nielsen's Net Promoter Score ('NPS'), which was higher than the industry benchmark.</p>
4.	Community Engagement and Development	Opportunity	<ul style="list-style-type: none"> <li>Facilitating socio-economic development of the disadvantaged communities through programmes on health, education, livelihood and environment.</li> </ul>	<p>The Bank has a holistic model of development under its Corporate Social Responsibility (CSR) initiatives, which targets the underprovided section of the society. The Bank CSR initiatives are aligned with the Bank's operational areas. The CSR programme includes:</p> <ul style="list-style-type: none"> <li>Targeting the Hard-core Poor – A programme uniquely crafted for ultra-poor women-headed families to move them out of the vicious cycle of extreme poverty and ensure a life with dignity and stable income.</li> <li>Education Programme – Provides supplementary and pre-primary quality learning to underprivileged children.</li> <li>Health Programme – Targets at reducing maternal and infant mortality, and preventing malnutrition amongst under the age of five children and adolescent girls.</li> <li>Employing the Unemployed – The programme provides skills and gainful employment to underprivileged youths.</li> <li>Financial Literacy – Imparts financial management knowledge to underprivileged women and mainstream them with digital banking services.</li> </ul>	<p>Positive financial implication: The Bank can acquire the benefits of promoting social equality and reap significant rewards in terms of value creation.</p>

Sl. No.	Material issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				<ul style="list-style-type: none"> <li>Climate Action Programme – Helps carbon sequestration through afforestation and mitigates climate-related risks through climate-resilient agriculture.</li> <li>Water conservation – Promotes water harvesting structures for providing critical irrigation in moisture-stressed areas.</li> </ul>	
5.	Human Rights	Opportunity	<ul style="list-style-type: none"> <li>The Bank plays a vital role in building the economy, as it has substantial leverage over a range of sectors and business activities.</li> <li>The Bank advocates for safeguarding the fundamental human rights of its people and works towards developing a diverse workforce.</li> </ul>	Approach to adapt or mitigate is provided in case of risk only. Hence, not applicable.	Positive financial implication: Protecting human rights across the value chain is an affirmative action, it creates a competitive advantage and enhances brand reputation.
6.	Regulatory & Statutory Compliance	Risk	<ul style="list-style-type: none"> <li>Financial institutions face expanding regulatory and reporting requirements to ensure transparency in their operations for building stakeholder confidence and benchmarking themselves against the best practices in Corporate Governance.</li> <li>With growing footprint, there is a risk of unintended slippages resulting in non-compliance.</li> </ul>	<ul style="list-style-type: none"> <li>The Bank has a robust due diligence mechanism for monitoring transactions, performing customer background checks and evaluating all lending decisions for tackling litigation matters timely.</li> <li>Similarly, the Bank's processes, policies, procedures, systems and tools ensure that if in case any regulatory non-compliance arises in its operations are mitigated promptly and promote a healthy compliance culture.</li> <li>The Bank also obliges with all statutory reporting requirements.</li> </ul>	Negative financial implication: Failure to comply with regulatory laws may result in substantial fines, penalties and cause damage to the Bank's reputation.
7.	Business Ethics & Governance	Risk	Corporate conduct and ethical practices are central to safeguard the reputation and business success of financial institutions.	<ul style="list-style-type: none"> <li>By adopting a strong ethical culture, the Bank maintains its reputation as a trusted financial institution.</li> <li>Effective governance practices help in minimising its exposure to business and ethics-related risks like fund embezzlement, insider trading and money laundering. The Bank has robust compliance mechanisms and controls, to monitor its performance diligently and periodically.</li> </ul>	Negative financial implication: <ul style="list-style-type: none"> <li>The Bank may incur legal expense resulting from breach of maintaining ethical and governance standards.</li> <li>Customer preference might be influenced if they perceive that the Bank is not governed effectively, leading to reduced business scope.</li> <li>Failure to conduct proper customer due diligence may result in higher fraud funding and greater loan defaults.</li> </ul>
8.	Risk & Crisis Management	Risk	Integration of ESG risks in banking operations is a must for building resilient organisations. These risks are increasingly becoming uncertain and volatile.	<ul style="list-style-type: none"> <li>Physical risk is assessed considering scenarios like 'Impact Study of Cyclones Leading to Business Disruption in Micro Banking in Coastal Areas', 'Impact study of River Floods leading to Business Disruption in Micro Banking', 'Impact study of rating downgrade of companies falling under industries with High CO<sub>2</sub> emission for commercial banking portfolio' and impact study of unfavourable climate condition on agricultural districts.</li> <li>Transition risk is also assessed by way of an impact study on business disruption in agricultural districts for the EEB segment, and incorporation of the Pollution Index (PI) score in Credit Proposal Vetting and Industry Outlook framework for the commercial banking segment.</li> </ul>	Negative financial implication: The absence of proactive crisis management practices might lead to unanticipated losses on account of market disruptions, policy changes, and data service disruptions.

Sl. No.	Material issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9.	Data Privacy & Digitalisation	Risk	Owing to regulatory requirements, the Bank must comply with data protection and privacy regulations to ensure that customer data is kept secure and confidential to avoid any penal measures such as fines, and penalties.	<ul style="list-style-type: none"> <li>The Bank ensures implementation of robust cybersecurity measures and data protection policies and procedures to prevent data breaches, cybercrimes and provides guaranteed confidentiality of customer information.</li> <li>The Bank ensures that customers' data is treated sensitively &amp; sensibly across the entire value chain of its business. The Bank ensures that the customer data used for various assessment processes follow the required regulatory guidelines.</li> </ul>	Negative financial implication: Failure to ensure the protection of customer data, and prevention of cyber-attacks can result in reputational damage, regulatory action, loss of business and incur legal liability.
10.	Financial Inclusion	Opportunity	<ul style="list-style-type: none"> <li>Financial inclusion and serving the underserved is a hallmark of the Bank. In terms of its banking operations and customer base, the Bank is highly invested in addressing financial inclusion.</li> <li>The Bank's unique high-tech and high-touch approach enables much deeper last-mile doorstep delivery of banking services.</li> <li>The Bank recognises the initiatives taken by the government to fulfil the financial inclusion drive and has allied itself with various government schemes to achieve the goals of financial inclusion.</li> </ul>	<ul style="list-style-type: none"> <li>The Bank has customised several products and services catering to underserved sections across all income groups, including a wide range of micro and retail loans and deposit products that are flexible and delivered at the doorstep even to customers that are in rural and remote areas.</li> <li>The Bank has immense potential to expand its banking operation across the country and has been diversifying its operations to non-east states.</li> <li>More than 75 per cent. (25.3 million) of the customers are EEB customers and the Bank has more than 70 per cent. Banking outlets are in rural in semi-urban areas, which is in alignment with the Bank's vision of catering for the underbanked.</li> <li>Affordable housing is another hallmark that provides micro-home loan solutions to underbanked customers.</li> <li>The Bank has promoted various government schemes related to the agri sector, social security schemes etc.</li> <li>The Bank actively supports Small businesses, artists, farmers, women groups and underprivileged sections for holistic development and helps create employment and livelihood opportunities.</li> </ul>	Positive financial implication: Providing innovative financial products to individuals and businesses to those who are currently excluded from the traditional banking system will provide deeper market penetration and will unleash the Bank's true growth potential.

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

The National Guidelines for Responsible Business Conduct ('NGRBC') as prescribed by the Ministry of Corporate Affairs advocates nine principles referred to as P1-P9 as given below:

P1	Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive towards all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect and make efforts to protect and restore the environment
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity’s policy/ policies cover each principle and its core elements of the NGRBCs. (Y/N)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Y/N)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web link of the policies, if available	<a href="https://bandhanbank.com/sites/default/files/2023-01/Business-Responsibility-and-Sustainability-Reporting-policy-210123.pdf">https://bandhanbank.com/sites/default/files/2023-01/Business-Responsibility-and-Sustainability-Reporting-policy-210123.pdf</a>								
2. Whether the entity has translated the policy into procedures. (Y/N)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Y/N)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/ certifications/ labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	<ul style="list-style-type: none"><li>National Guidelines on Responsible Business Conduct, 2019, Ministry of Corporate Affairs, Government of India</li><li>P – 6 : IGBC Gold rated green building</li></ul>								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Nil								
6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	Not applicable								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG-related challenges, targets, and achievements	The statement by the MD & CEO on the BRSR is mentioned at the beginning of this report.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	Board of Directors								
9. Does the entity have a specified Committee of the Board/Director responsible for decision-making on sustainability-related issues? (Yes/ No). If yes, provide details	Yes. The Corporate Social Responsibility & Sustainability Committee of the Board (‘CSR&SCB’) is responsible for the oversight of sustainability-related matters. The Committee is Chaired by a non-executive independent director and meets at least once in every quarter.								

#### 10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow-up action	✓	✓	✓	✓	✓	✓	✓	✓	✓						Annually			
	The CSR&SCB reviewed the Compendium of the BRSR policies that are based on the 9 principles of the NGRBC guidelines and based on the recommendation of the CSR&SCB, the Board of the Bank approved the same. The BRSR disclosures are reviewed by the CSR&SCB and approved by the Board.																	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Bank operates in compliance with applicable laws and regulations. All statutory requirements are complied with across all banking operations. The compliance department and the Internal Audit department independently monitor the compliance of all statutory requirements at the management level. The Audit Committee of the Board and the Board review the compliances.														Quarterly			



Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee										Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)
	P1	P2	P3	P4	P5	P6	P7	P8	P9	-	
11. Has the entity carried out an independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency..	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	
	Yes. The policies, their processes and their compliances are evaluated by the compliance department, internal audit department, external auditors appointed for management audit, concurrent auditors appointed for auditing branch operations, statutory auditors, and risk management, as applicable.										
	The Bank is subjected to various audits including internal, compliance, internal audits and regulatory. As part of the audit process, the assessment/evaluation of the working of its policies is included.										
	The policies are annually reviewed/evaluated by various department heads and Board Committees and approved by the Board.										

**12. If the answer to question (1) above is 'No' i.e. not all Principles are covered by a policy, reasons to be stated:**

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/ No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/ No)									Not applicable
It is planned to be done in the next financial year (Yes/ No)									
Any other reason (please specify)									

**SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE**

**PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable**

**ESSENTIAL INDICATORS**

**1. Percentage coverage by training and awareness programmes on any of the principles during the financial year.**

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	3	<b>Principle – 1:</b> <ul style="list-style-type: none"> <li>Anti-Money Laundering/ Countering Financing of Terrorism</li> </ul> <b>Principle – 9:</b> <ul style="list-style-type: none"> <li>IT &amp; Cyber Security</li> <li>Artificial Intelligence &amp; Machine Learning</li> </ul>	64.29%
Key Managerial Personnel (KMP)*	2	<b>Principle – 1:</b> <ul style="list-style-type: none"> <li>Code of Conduct</li> <li>Zero Tolerance</li> <li>Risk Culture</li> </ul> <b>Principle – 3:</b> <ul style="list-style-type: none"> <li>Health Bytes</li> </ul> <b>Principle – 5:</b> <ul style="list-style-type: none"> <li>POSH</li> </ul>	100%

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Employees other than the Board of Directors or KMPs	265	<b>Principle – 1:</b> <ul style="list-style-type: none"> <li>• Induction Training</li> <li>• Business Ethics and Politics</li> <li>• Code of Conduct</li> <li>• Anti-Money Laundering/ Countering Financing of Terrorism</li> <li>• Zero Tolerance</li> </ul> <b>Principle – 2:</b> <ul style="list-style-type: none"> <li>• Compliance in Banking</li> <li>• KYC-AML &amp; CFT</li> <li>• Risk Culture</li> <li>• Risk Management</li> </ul> <b>Principle – 3:</b> <ul style="list-style-type: none"> <li>• Employment Laws</li> <li>• Women Empowerment</li> <li>• Health Bytes</li> </ul> <b>Principle – 5:</b> <ul style="list-style-type: none"> <li>• Gender Sensitivity</li> <li>• POSH</li> <li>• Health and Safety</li> </ul> <b>Principle – 9:</b> <ul style="list-style-type: none"> <li>• Consumer Protection &amp; Grievance Redressal</li> </ul>	99%
Workers	NA	-	NA

\*Other than Board members

**2. Details of fines/ penalties/ punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors/ KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format [Note: The entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website]:**

Monetary					
NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (₹)	Brief of the Case		Has an appeal been preferred? (Yes/ No)
Penalty/Fine	1	RBI	₹29.55 lakh	The Reserve Bank of India (RBI) has, by an order dated March 04, 2024, imposed a monetary penalty of ₹29.55 lakh (Rupees Twenty Nine Lakh Fifty-five Thousand only) on the bank for non-compliance with certain directions on 'Reserve Bank of India (Interest Rate on Deposits) Directions, 2016'. This penalty has been imposed in the exercise of powers vested in RBI conferred under the provisions of section 47A(1)(c) read with section 46(4)(i) of the Banking Regulation Act, 1949.	No
Settlement	NIL	NIL	NIL	NIL	NIL
Compounding Fee	NIL	NIL	NIL	NIL	NIL

Non-Monetary			
NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment			NIL
Punishment			NIL

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes.

Link:- <https://bandhanbank.com/sites/default/files/2023-01/Business-Responsibility-and-Sustainability-Reporting-policy-210123.pdf>

The Bank has an anti-bribery and anti-corruption policy embedded in the Code of Conduct section of the HR Policy and is also available on the website as part of the Compendium of BRSR Policies. Every new joinee signed the hard copy and also digitally in the HRMS portal for the first time use. Subsequently, every year in the month of April all employees including KMP and senior management digitally undertake the annual code of conduct declaration, containing the anti-bribery and anti-corruption provisions of the Bank.

Additionally, the Bank has a Vigilance Policy and whistleblower Policy, which aim to effectively implement systems and procedures to prevent corruption, serving as a deterrent for any wrongdoing. The Bank has established a two-tier system, viz., (i) the Chief of Internal Vigilance ('CIV') and (ii) the Disciplinary Committee which bears the responsibility of (a) investigating any alleged or proven misconduct employees by an employee and (b) taking necessary punitive actions, respectively.

The Bank is extremely strict in taking measures against wrongdoings, misconduct and cases of bribery and corruption, adhering to its zero-tolerance practice. Furthermore, the CIV takes measures to prevent bribery by conducting periodic reviews and checks on high-value purchases made by the Bank, scrutinising assets held or declared by senior management and employees and probing into any reported cases of conflicts of interest involving employees. These measures ensure 100% compliance from all employees, as the Bank strives towards zero cases of non-compliance. The CIV apprises the MD&CEO about the monthly vigilance activities and submits the report to the Audit Committee of the Board.

5. Number of Directors/ KMPs/ employees/ workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2023-24	FY 2022-23
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NA	NA

6. Details of complaints with regard to conflict of interest

	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of directors	NIL	NA	NIL	NA
Number of complaints received in relation to issues of conflict of interest of KMPs	NIL	NA	NIL	NA

7. Provide details of any corrective action taken or underway on issues related to fines/ penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

NIL.

The Bank's internal robust mechanism, controls, checks and balances ensure that there have been no such cases of non-compliance and hence, no corrective actions were required.

**8. Number of days of accounts payables {(Accounts payable \*365)/ Cost of goods/ services procured}} in the following format:**

	FY 2023-24	FY 2022-23
Number of days of accounts payables	14	19

**9. Openness of business**

**Provide details of the concentration of purchases and sales with trading houses, dealers, and related parties along with loans and advances & investments, with related parties, in the following format:**

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	-	-
	b. Number of trading houses where purchases are made from	-	-
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	-	-
Concentration of Sales	a. Sales to dealers/ distributors as % of total sales	-	-
	b. Number of dealers/distributors to whom sales are made	-	-
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	-	-
Share of RPTs in	a. Purchases (Purchases with related parties/ Total Purchases)	-	-
	b. Sales (Sales to related parties/ Total Sales)	-	-
	c. Loans & advances (Loans & advances given to related parties/ Total loans & advances)	0.008% <sup>Note</sup>	0.003% <sup>Note</sup>
	d. Investments (Investments in related parties/ Total Investments made)	-	-

**Note:**

- In the absence of any definition in the prescribed BRSR format in the SEBI Circular, the Bank has interpreted, a trading house as an entity that acts as an intermediary that facilitates trade between countries, i.e., linking a home country's buyers and sellers with other foreign country's buyers and sellers. Therefore, given the nature of the Bank's operation, there were no sales or purchases done that involved any trading house.
- The Bank does not appoint any dealers or distributors to provide its products and services to customers. All the customers are direct customers of the Bank. Therefore, there was nil sales to any dealers or distributors.
- The Bank is a service-oriented company and is not involved in any purchases or sales in its operations. Therefore, there are nil purchases from related parties. However, certain services including rent, accommodation/venue charges for the training of employees and interest paid are provided in the related party transaction schedule of the financial statement of the Bank.
- There is nil investment in any related parties. The Bank has, as per its Policy, extended housing loans to KMPs, the percentage of which is derived on the closing balance of the outstanding loan at the end of the FY. Further details regarding related party transactions are provided in the schedule of the Financial Statement for FY 2024.

**LEADERSHIP INDICATORS****1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year.**

The Bank has undertaken various training and awareness programmes for value chain partners including call centre and direct sales agents partners that are related to principle 1, 2, 3, 5 and 6.

The Bank also undertakes awareness workshop customer relations, financial literacy, digital banking and prevention of online frauds, which is detailed in relevant section of Principle 9 of this report.

**2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If yes, provide details of the same.**

Yes.

The Code of Conduct for the Board of Directors of the Bank is laid down with an aim to ensure transparency and high ethical standards in managing the affairs and operations. At the time of appointment and any time during tenure, the Board members have to disclose any actual/ potential conflict of interest, if any, whenever such situation arises. Non-disclosure of conflict of interest by any Board member would be treated as a non-compliance.

During the year under review, the Bank has not entered into any materially significant transactions with its Directors or Relatives of the Directors, which could lead to a potential conflict of interest between the Bank and these parties, other than transactions entered into in the ordinary course of its business.

All the members of the Board of Directors of the Bank have affirmed compliance with the said Codes as applicable to them.

Weblink: <https://bandhanbank.com/sites/default/files/2020-12/Code-Conduct-for-Directors.pdf>

## PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

### ESSENTIAL INDICATORS

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of products and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D	NA	NA	-
Capex	NA	NA	<p>The Bank is a service provider and a regulated entity and operates as per the Banking Regulations. Therefore, the scope of Capex to improve the environmental and social impacts of products and processes is not material to the Bank. However, the Bank has taken several environmental and social initiatives, as mentioned below.</p> <p><b>Environmental</b> – The Bank has transitioned effectively into a digital banking ecosystem. This has helped the Bank in reducing its usage of paper across its branches and operations. The Bank has also invested in various innovative technologies and IT transformations across all its branches.</p> <p>The energy-efficient lighting system and water-saving technology have led to a reduction in power and water usage. The seamless transactions through mobile and net banking have led to a reduction in commuting time to the branches, thereby considerably reducing vehicular emissions and costs from commutation and energy consumption.</p> <p><b>Social</b> – The Bank has established EEB banking units catering to the underbanked rural and semi-urban areas leading to greater financial inclusion in the remote areas. The Bank has brought banking to the doorsteps of marginalised and economically backward communities through these Business Units. The Bank has taken several initiatives of financial literacy and financial empowerment amongst vulnerable groups such as rural housewives, and women entrepreneurs, ensuring inclusivity and ease of access for all sections of society, to banking services.</p> <p>During the pandemic and post-pandemic restrictions, many of the customers of your Bank lost their livelihoods, which made them financially vulnerable. To strengthen the customers, your Bank came up with products specifically designed for these situations and ensured that the customers get the maximum financial assistance during the toughest time in their lives.</p> <p>To overcome digital-based challenges, the Bank is providing training to enhance customer awareness of the benefits of digital payments and various other aspects, such as seeding bank accounts with mobile numbers and Aadhaar.</p> <p>The Bank scaled up the first of its kind 'Android PoS', a testament to the commitment to providing innovative and customer-centric solutions to merchants and promoting digital payments in remote areas.</p>

2. **Does the entity have procedures in place for sustainable sourcing? (Yes/ No)**

Owing to the nature of the banking products and services offered, sustainable sourcing may not be a significant material topic for the Bank. However, the Bank endeavours to integrate sustainability in the supply chain(s) for its products and services across its operations. Wherever feasible, the Bank tries to incorporate sustainable sourcing in its operations. For procurement of equipment, the Bank ensures that energy efficiency standards are considered during the purchase of electronic equipment such as computers, laptops, lighting devices, ACs amongst others.

The Bank's supply chain includes outsourced agencies, third-party service providers, transporters, suppliers of materials and capital goods, franchisees, dealers and distributors. The Bank recognises the need to work closely with the suppliers to reduce waste, improve efficiency, reduce carbon footprint and continuously work towards ensuring greater integration of environmental factors in its procurement practices.

In line with the bank's sustainability commitment, it has prioritised several key actions, as mentioned below:

**Partnering for Good:** The Bank actively seeks suppliers who demonstrate ethical labour practices, environmental responsibility, and high-quality standards. Transparency and minimising environmental impact are key factors in supplier selection.



**Sustainable Procurement Policies:** Formalised procurement policies guide sourcing decisions, ensuring suppliers align with the bank's values of environmental and social accountability.

**Minimising Environmental Footprint:** The Bank is mindful of the environmental impact of its procurement activities. We actively work to reduce waste, promote energy efficiency, and encourage the use of renewable resources throughout their operations and supply chain.

**Social Impact:** Beyond environmental considerations, the bank prioritises social impact. We choose suppliers who uphold human rights, provide safe working conditions, and contribute positively to their communities.

**Continuous Improvement:** The Bank remains dedicated to ongoing improvement in its sustainable sourcing practices. Regular reviews and updates to procurement policies ensure they incorporate emerging sustainability trends and best practices.

**3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for:**

- (a) **Plastics (including packaging),**
- (b) **E-waste,**
- (c) **Hazardous waste, and**
- (d) **Other waste.**

The Bank does not have a physical product offerings in its normal course of operations. Therefore, there is an insignificant footprint of waste generation for the reclamation for reusing and recycling of such wastes.

- a) **Plastics** – The plastic usage in the products is minimal, hence, reclamation of plastics is not applicable. However, in its day-to-day usage, there are plastic usage recycling bins for designated plastics like water bottles and other plastic containers. These are collected by a recycling service and processed according to local regulations.
- b) **E-waste**- E-waste generated from the banking operations across all offices and branches is responsibly disposed of by third-party service providers.
- c) **Hazardous Waste** – Owing to the nature of the operations as a banking facility, there isn't much scope for the generation of hazardous waste from the Bank's branches and offices that are owned and controlled by third parties.
- d) **Other Waste** – Paper waste is disposed of for recycling by third-party service providers.

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/ No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

No. As the Bank does not have any physical product offering or has any major plastics usage in its products and services, the Bank does not qualify for any EPR obligation.

**LEADERSHIP INDICATORS**

**1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
----------	-------------------------	---------------------------------	-------------------------------------------------------------------------	------------------------------------------------------------	-------------------------------------------------------------------------------

Not applicable

**2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/ services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same.**

Name of Product/ Service	Description of the risk/concern	Action Taken
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Not applicable

**3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24	FY 2022-23
Not applicable		

**4. Of the products and packaging reclaimed at the end of life of products, amount (in metric tonnes) reused, recycled and safely disposed.**

Bandhan Bank Limited is a service provider and the Bank's services do not include any significant packaging material, except for the new account opening kits.

**5. Reclaimed products and their packaging materials (as a percentage of products sold) for each product category**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in the respective category
Not applicable	

**PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains**

**ESSENTIAL INDICATORS**

**1. a. Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day-care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent employees											
Male	67,308	67,308	100%	67,308	100%	-	-	67,308	100%	-	-
Female	8,440	8,440	100%	8,440	100%	8,440	100%			-	-
Total	75,748	75,748	100%	75,748	100%	8,440	100%	67,308	100%	-	-
Other than Permanent employees											
Male											
Female											
Total											

Note: From April 2023 onwards, 100% of male employees are eligible for paternity benefits.

**b. Details of measures for the well-being of workers:**

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent workers											
Male											
Female											Not Applicable
Total											
Other than Permanent workers											
Male											
Female											Not Applicable
Total											

**c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format**

	FY 2023-24	FY 2022-23
Cost incurred on well-being measures as a % of total revenue of the company	0.47%	0.37%

**2. Details of retirement benefits for the current and previous financial years:**

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the Authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	NA	Y	100%	NA	Y
Gratuity	100%	NA	N.A.*	100%	NA	NA*
ESI	NA	NA	NA	NA	NA	NA
Others – please Specify	NA	NA	NA	NA	NA	NA

\*Gratuity is deposited with the Bandhan Bank Gratuity Fund Trust

**3. Accessibility of workplaces: Are the premises/offices accessible to differently-abled employees and workers as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

Yes, the Bank has developed a dedicated policy on Human Rights as part of the commitment to BRSR Principle 5 and ensures non-discrimination and fair treatment for all its employees. The Bank's branches and offices have appropriate systems and processes in place to ensure compliance with the policy and statutory provisions.

As per RBI circulars DBOD. No. Leg.BC. 91 /09.07.005/2007-08 dated June 04, 2008; DBOD.No.Leg.BC.123/09.07.005/2008-09 dated April 13, 2009, DBOD.No.Leg.BC.38 /09.07.005/2012-13 dated September 05, 2012, DBOD.No.Leg.BC.113 /09.07.005/ 2013-14 dated May 21, 2014 and DBR.No.Leg.BC.96/09.07.005/2017-18 dated November 09, 2017 all banking services are being provided to persons with disabilities.

Bandhan Bank is committed to providing all our services to Differently Abled Customers without discrimination. The RBI guidelines have been upheld by the internal circular number- RB/PSNs/CIR/4153. These circulars uphold the bank's commitment to offer all its banking services and products to Differently Abled Customers without discrimination.

The Bank's websites, net banking and mobile banking are compliant with Web Content Accessibility Guidelines (WCAG).

The Bank has accessible ATMs set up as per the 'IBA Standards on Accessible ATM'. Details about talking ATM locations can be seen [here](#).

In case of a differently abled customer facing any difficulty in receiving any services of the bank, please write to [pno@bandhanbank.com](mailto:pno@bandhanbank.com) or call us at 033-66090909 for redressal. The details are available at the Bank's website:

<https://bandhanbank.com/services-for-differently-abled-customer>

For the employees and the customers, the Bank has taken several measures to create an inclusive environment such as installing ramps, signage and elevators for ease of movement of people with locomotive disability. The Bank ensures that doorways and corridors are wide enough for wheelchair users. Additionally, we have made the restrooms, workstations, and common areas accessible and equipped with the necessary accommodations. The Bank is also committed to promoting digital accessibility where information and communication technology is accessible to all and/or compatible with assistive technology devices.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes, the Bank has an equal opportunity statement in its HR policy and the extract of the same is also available in the Compendium of BRSR policies under Principle 5.

Web-link:<https://bandhanbank.com/sites/default/files/2023-01/Business-Responsibility-and-Sustainability-Reporting-policy-210123.pdf>

The Bank believes that promoting equal opportunity in the workplace based on merit and ability can create an environment conducive to higher engagement and productivity. The Bank has achieved this by communicating the coverage of the policy to all employees in an appropriate and meaningful manner. In line with the sustainable development ethos of non-discrimination, and inclusive growth, the hiring and performance evaluation, compensation, training and employee benefits, are devoid of any discrimination based on caste, religion, disability, gender, sexual orientation, race, colour, ancestry, marital status or affiliation with a political, religious or union organisation or majority/minority group.

**5. Return to work and retention rates of permanent employees who took parental leave.**

Gender	Permanent employees		Permanent workers	
	Return to work rate.	Retention rate	Return to work rate	Retention rate
Male	86.04%	N/A*	NA	NA
Female	62.5%	85.26%	NA	NA
<b>Total</b>	<b>79.34%</b>	<b>85.26%</b>	<b>NA</b>	<b>NA</b>

\*parental leave for male employees was applicable with effect from April 01, 2023

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.**

	Yes/No (If Yes, then give details of the mechanism in brief)
<b>Permanent Workers</b>	Not applicable
<b>Other than Permanent Workers</b>	Not applicable
<b>Permanent Employees</b>	<p>Yes.</p> <p>The HR policy of the Bank incorporates the Policy on Prevention of Sexual Harassment (POSH) for addressing issues related to sexual harassment. An Internal Committee (IC) consisting of one Presiding Officer and three members is constituted at the head office to enquire into and provide redressal of Sexual Harassment complaints. The composition of the IC consists of at least one external member and one-half of the total member are women officials. In addition to POSH, the Bank has also built an in-house grievance redressal system which is available in the HRMS portal of the Bank. The grievance redressal mechanism lays down guidelines that need to be followed by the organisation, which include the following:</p> <p><b>Conflict Resolution</b></p> <p>An employee who feels that he or she is being subjected to harassment should first, where possible, make his/ her disapproval clearly known to the individual(s) concerned and ask that the behaviour be stopped. If there is no apparent change in the behaviour of the respondent, the employee concerned can make use of either an informal or formal resolution process for redressing their complaint.</p> <p><b>Freedom from Retaliation</b></p> <p>A person who in good faith brings a complaint of harassment against another person, shall not be subjected to any form of retaliation. The Bank prohibits retaliation against anyone who files a complaint in good faith, and retaliation in itself constitutes misconduct subject to disciplinary action. Discriminating against an employee who has made a complaint of harassment or deleteriously affecting the terms and conditions of employment or work environment of the employee will be construed as retaliation.</p> <p><b>Confidentiality</b></p> <p>All employees who are aware of a harassment complaint, or involved in its resolution, must recognise the seriousness of the situation and respect the sensitivity and confidentiality that must be accorded to the matter. The employees must refrain from discussing the complaint amongst themselves or with anyone who does not have a 'need to know.' Every effort will be made to preserve the dignity and self-respect of the parties to the complaint.</p> <p><b>Action against false complaints</b></p> <p>False or malicious complaints can seriously damage a person's reputation, career, and relationships. If anyone makes a false or malicious complaint of harassment and it is so established after a thorough and proper investigation, the complainant will face disciplinary action, depending on the situation.</p>
<b>Other than Permanent Employees</b>	Not applicable

**7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

The Bank promotes freedom of association; however, the employees are not part of any trade union and the Bank does not engage in any collective bargaining agreements. The Bank ensures that all employee grievances are reported anonymously and addressed by the management after conducting a detailed investigation.

Category	FY 2023-24			FY 2022-23		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D / C)
<b>Total Permanent Employees</b>	<b>75,748</b>	-	-	<b>69,702</b>	-	-
Male	67,308	-	-	62,526	-	-
Female	8,440	-	-	7,176	-	-
<b>Total Permanent Workers</b>						
Male						
Female						

Not Applicable

#### 8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	Total (A)	On Health and safety measures*		On Skill upgradation		Total (D)	On Health and safety measures*		On Skill upgradation	
		No. (B)	% (B/A)	No.(C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	67,308	67,308	100%	64,774	96%	62,526	62,526	100%	61,634	98%
Female	8,440	8,440	100%	7,774	92%	7,176	7,176	100%	6,950	98%
Total	75,748	75,748	100%	72,548	96%	69,702	69,702	100%	68,584	98%
Workers										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

\*Includes induction, classroom training, fire drills, digital campaign, mailers and online learning platforms

#### 9. Details of performance and career development reviews of employees and workers:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	67,308	55,819	83%	62,526	48,722	78%
Female	8,440	6,201	73%	7,176	4,781	67%
<b>Total</b>	<b>75,748</b>	<b>62,020</b>	<b>82%</b>	<b>69,702</b>	<b>53,503</b>	<b>77%</b>
<b>Workers</b>						
Male						
Female						
<b>Total</b>						

Not Applicable

\*The performance management system is available to all employees and new joiners who have joined before September. The new joiners after September are considered for the next year's performance management cycle.

The policy on performance management is provided in the HR Policy and is available in the HRMS portal of the Bank for all employees. The Bank has a dedicated learning and development wing that provides ample learning opportunities to all employees. The learning management system provides online training to all employees. The performance appraisal system of the Bank provides career development opportunities and feedback for continuous improvement. The performance appraisal process starts with the employee conducting self-appraisal followed by the assessment of the supervisor via appraisal feedback and discussion. The performance appraisal ratings are reviewed/ calibrated by a committee. Once the ratings are finalised, promotion and recognition announcements are initiated and key performance areas (KRA) for the next year are set.



#### 10. Health and safety management system:

**a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?**

Yes. The Bank is cognizant of the responsibility towards providing a healthy and safe work environment to the employees and has developed a dedicated policy as part of the commitment to BRSR Principle 3. The Bank is in the process of evaluating the scope of the occupational health and safety management system to outline safety standards for the employees and customers to ensure regulatory compliance and promotion of public health and safety. The Bank organises regular training, such as mock drills on its premises for its employees on matters of fire safety, emergency response, and basic first aid.

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

The Bank in collaboration with the building management team of the office premises organises and participates in mock fire drill sessions to create awareness amongst employees on how to evacuate in the event of fire or any other unforeseen contingency. Fire Marshalls and Fire Warden are nominated and trained to ensure adequate support if any such event occurs.

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/ No)**

Not applicable as there are no workers associated with the Bank's operations.

**d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services? (Yes/N o)**

Yes. The Bank continuously reviews human resource development and evaluates the best practices offered in the banking sector, to gain competitive advantage within the industry. The Bank offers extended insurance coverage to the employees in the form of top-ups, flexibility to pay monthly premiums to spread the payment over a year and aim for higher cover and enhanced coverage of dependents to encompass parents-in-law. It also provides for digital medical services/tele medication by way of typing up with leaders like Practo in this field thereby not only catering to its employees but their dependent family members also. The Bank also has introduced a Medical Assistance rider to cater to Accident cases for its employees.

#### 11. Details of safety-related incidents

Safety Incident/ Number	Category	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.03	0.08
	Workers	Not applicable	Not applicable
Total recordable work-related injuries	Employees	5	11
	Workers	Not applicable	Not applicable
No. of fatalities (safety incident)	Employees	5	4
	Workers	Not applicable	Not applicable
High consequence work-related injury or ill-health (excluding fatalities)	Employees	NIL	7
	Workers	Not applicable	Not applicable

#### 12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Bank has developed a dedicated policy on Workplace Health and Safety, as part of its commitment to BRSR Principle 3 and is committed to conducting its operations with due regard for the environment and ensuring a safe and healthy workplace for its employees. The good health and safety of employees are of great importance to the Bank. While the Bank has put in place internal systems and procedures for the creation and maintenance of a safe and healthy environment at the workplace, employees are required to follow safety guidelines and internal processes.

The Bank has formulated its Security Policy, Procedures and Guidelines in line with recommendations of the Indian Banks' Association, directives issued by RBI, advisories issued by Govt. authorities and industry best practices. All the Banking outlets, ATMs and offices are equipped with the latest security & safety gadgets required to create a safe working environment for customers and employees of the Bank and protect the assets of the Bank by creating viable deterrence to miscreants. Some of the measures taken to ensure safety are as follows

- Installation of electronic surveillance system at all the ATMs. All Banking outlets and ATMs across the country have complied with adequate physical security measures as per the advisory issued by RBI.
- Implementation of all the Physical Security measures at Currency Chests of the Bank as per RBI guidelines.
- Full Compliance with all regulatory and statutory norms pertaining to the security & safety of the units.
- Conducting regular security & safety awareness training programmes to promote and sustain the security culture across the Bank.

**13. Number of complaints on the following made by employees and workers:**

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL	NIL	-	NIL	NIL	-
Health and Safety	NIL	NIL	-	NIL	NIL	-

**14. Assessments for the year:**

% of your plants and offices that were assessed (by entity or statutory authorities or third parties)	
Health and Safety practices	100%
Working Conditions	100%

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health and safety practices and working conditions.**

Fire Audits and Electrical Audits of all the Branches and Offices are conducted annually. Fire extinguishers placed in every branch/ office are checked and refilled as per the required periodicity.

The Audit may be categorised as High risk, Medium risk and Low risk based on the condition of the Electrical system. High-risk Branches/ Offices are to be audited first. The timeline to carry out the remedial measures for the closure of the Audit Report is as prescribed in the risk categorisation matrix.

**LEADERSHIP INDICATORS****1. Does the entity extend any life insurance or any compensatory package in the event of death of?**

	(Y/N)
Employees	Y
Workers	Not Applicable

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

The Bank conducts periodic review meetings with value chain partners such as vendors and service providers to assess their performance and adherence to statutory norms. The Bank inculcate in its agreement a sense of accountability and transparency in all operations across the supply chain partners. Invoices of value chain partners are cleared subject to the deduction of any applicable TDS. The Bank also takes confirmation of the GST deposited by the vendors on the payments made by the Bank.

**3. Provide the number of employees/ workers having suffered high-consequence work-related injury/ ill-health/ fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/ workers		No. of employees/ workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	5	11	-	-
Workers	Not Applicable			

**4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

Yes. The Bank offers transition assistance support to facilitate continued employability to people attaining retirement age. Requisite approvals are sought to evaluate the competency of the candidate based on the performance showcased during his/ her service tenure and requisite retention terms are reviewed before advancing an extended employment offer. Retired personnel may be rehired to act as consultants or strategic advisors to the Bank and are eligible for all employee benefits except Provident Fund contribution and gratuity.

## 5. Details on assessment of value chain partners

% of value chain partners (by value of business done with such partners) that were assessed	
Health and Safety practices	None
Working Conditions	None

## 6. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not applicable

## PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

### ESSENTIAL INDICATORS

#### 1. Describe the processes for identifying key stakeholder groups of the entity.

The Bank's stakeholder identification approach takes into consideration the dependency, spontaneity, responsibility, vulnerability, and influence while identifying key stakeholder groups, taking into consideration all entities who have a direct and indirect influence on the business operations, such as:

- Shareholders and Investors
- Customers
- Regulatory bodies
- Suppliers
- Communities
- Employees
- Media

#### 2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

Key Stakeholders	Whether identified as Vulnerable & Marginalised Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/ Half Yearly/ Quarterly/ Others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders and Investors	No	<ul style="list-style-type: none"> <li>• Annual General Meeting</li> <li>• Emails</li> <li>• Investors meet</li> <li>• Press releases</li> <li>• Newspaper advertisements</li> <li>• Website</li> </ul>	<ul style="list-style-type: none"> <li>• Yearly</li> <li>• Quarterly</li> <li>• Periodically</li> </ul>	<ul style="list-style-type: none"> <li>• Improved profitability and growth of the organisation</li> <li>• corporate governance mechanisms</li> <li>• Compliance</li> <li>• Transparent and effective communication</li> <li>• Investor servicing</li> </ul>
Customers	No	<ul style="list-style-type: none"> <li>• Surveys</li> <li>• Print, digital and social media</li> <li>• 24X7 toll-free number</li> <li>• Direct interaction with bank employees</li> <li>• Doorstep banking centres and home visits</li> <li>• Financial Literacy programme and customer meets</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing Activity</li> </ul>	<ul style="list-style-type: none"> <li>• Convenience and Ease of Transaction</li> <li>• Quick response to issues raised through grievance redressal mechanisms</li> <li>• Innovative technology</li> <li>• Applications</li> <li>• Transparent communication</li> <li>• Product/ service availability</li> <li>• On-time delivery of product/ service</li> </ul>

Key Stakeholders	Whether identified as Vulnerable & Marginalised Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/ Half Yearly/ Quarterly/ Others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	<ul style="list-style-type: none"> <li>• Induction programmes/ trainings/ workshops</li> <li>• Individual performance appraisal</li> <li>• Periodic communication meetings anchored by leadership</li> <li>• Employee engagement, wellness, team building and celebration events</li> </ul>	<ul style="list-style-type: none"> <li>• Need Basis</li> <li>• Periodically</li> </ul>	<ul style="list-style-type: none"> <li>• Caring and empowering work environment</li> <li>• Personal development and growth</li> <li>• Health and safety</li> <li>• Responsive grievance handling process</li> <li>• Employee benefits and Competitive compensation</li> <li>• Employee welfare and social security</li> <li>• Employee alignment to common organisation goals</li> </ul>
Local communities	Some members of the local communities belong to SHGs, low income groups.	<ul style="list-style-type: none"> <li>• Collaboration with independent parties/ civil society organisations</li> <li>• Formation of village institutions and regular meetings thereon</li> </ul>	<ul style="list-style-type: none"> <li>• Need Basis</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthening of livelihood opportunities</li> <li>• Improvement of social infrastructure for a hygienic and healthy living environment</li> <li>• Economic and social empowerment</li> <li>• Financial literacy and improving access to financial services</li> </ul>
Vendors and suppliers	Some of the vendors are identified as a part of vulnerable/ marginalised group (Women entrepreneur)	<ul style="list-style-type: none"> <li>• Vendor meets</li> <li>• Pre-agreement negotiations</li> <li>• Procurement agreements</li> </ul>	<ul style="list-style-type: none"> <li>• Need Basis</li> </ul>	<ul style="list-style-type: none"> <li>• Regular communication and updates on business plans</li> <li>• Inclusion of local medium and small-scale enterprises in the vendor base</li> <li>• Competency development of local vendors</li> <li>• Stability/ tenure of relationship</li> <li>• Ordering and payment routines</li> <li>• Purchase prices</li> </ul>
Central and State Government	No	<ul style="list-style-type: none"> <li>• Government circulars</li> <li>• Formal notifications</li> </ul>	<ul style="list-style-type: none"> <li>• Weekly</li> <li>• Ongoing</li> <li>• Need basis</li> <li>• Annually</li> </ul>	<ul style="list-style-type: none"> <li>• New financial regulations</li> </ul>
Regulatory bodies	No	<ul style="list-style-type: none"> <li>• Periodic meetings/ interactions with regulatory bodies</li> <li>• Mandatory filings with regulators including RBI, SEBI, Stock Exchanges, and MCA</li> <li>• Participation in policy forums</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing</li> <li>• Need basis</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with rules and regulations</li> <li>• Know the customer</li> <li>• Fair treatment of customers</li> <li>• Role in the development of the financial system</li> <li>• Banks act as the first line of defence against financial crimes</li> </ul>

Key Stakeholders	Whether identified as Vulnerable & Marginalised Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/ Half Yearly/ Quarterly/ Others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Media	No	<ul style="list-style-type: none"> <li>One-on-one media interaction</li> <li>Press conferences/ press releases</li> <li>Advertisements/ promotions</li> <li>Interviews with senior management</li> <li>Dedicated corporate communication team</li> <li>Media section on the Bank's website</li> <li>Dedicated email and contact for media</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>Need basis</li> </ul>	<ul style="list-style-type: none"> <li>Disclosure to stakeholders</li> <li>Responsible corporate citizenship</li> <li>Corporate reputation</li> </ul>

## LEADERSHIP INDICATORS

### 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Bank believes that an effective stakeholder engagement process is necessary for achieving its sustainability goal of inclusive growth. The Bank accordingly anchors its stakeholder engagement on the principles of the following features:

- Materiality- taking prioritised consideration of the economic, environmental and social impacts identified to be important to the organisation as well as its stakeholders.
- Completeness- understanding the stakeholders' key concerns and expectations.
- Responsiveness- responding coherently and speedily to such issues and concerns.

The key stakeholder groups include the Central and State Governments, regulatory/ statutory agencies, media, shareholders, clients, employees, local communities, channel partners, and suppliers. Attributes including dependency, accountability, immediacy, and influence are used to identify stakeholders. The engagement strategy recognises the individuality and distinct set of priorities of each stakeholder group. Stakeholder engagement insights support the Bank's performance and help to create fresh viewpoints.

### 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/ No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. The management representatives of the Bank analyse the impact of the material topics and how it affects the day-to-day business and operations of the Bank. In view of the Bank's sustainability objectives, business strategies, operational policies, and global market trends, the responses and feedback gathered during stakeholder engagement are reviewed by top management to understand stakeholders' perspectives. The Board and senior management are informed of the feedback from a wide variety of stakeholders in order to get their advice and take appropriate action. Through its various committees, the Board is provided regular updates on feedback received from stakeholders on economic, environmental, and social topics- which serves as inputs for decision-making by the Board. The inputs are provided but not limited to the following committees:

- Risk Management Committee
- Corporate Social Responsibility and Sustainability Committee
- Stakeholder Relationship Committee
- Customer Service Committee

### 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.

The Bank has an appropriate mechanism to engage with its stakeholders, especially marginal and weaker sections of the society and it is covered in the Corporate Social Responsibility ('CSR') policy of the Bank. The CSR initiatives undertaken by the Bank are firmly embedded in its vision and mission to improve the quality of life of the communities. Having understood the prevailing social needs within the communities, interventions and strategies are formulated by the CSR&SCB. The CSR&SCB has carefully reviewed and recommended CSR programmes targeting societal development by conducting studies on CSR intervention area identification. Based on these studies, the curated CSR programmes are run by the CSR Project Implementing Agency ('PIA').



Each programme of the PIA has been devised to bring about far-reaching effects in the fields of education, health, livelihood promotion, sustainable livelihood development, climate action, financial literacy, skill development and employment generation. The Bank's CSR Programmes are in alignment with the Sustainable Development Goals and Schedule VII to the Companies Act, 2013, details of which are provided below:

- Targeting the hard-core poor programme
- Bandhan Health programme
- Bandhan Education programme
- Bandhan Employing the unemployed programme
- Bandhan Financial Literacy Programme
- Bandhan Sustainable Livelihoods Programme
- Bandhan Climate Action programme

Details of such programmes are also provided in the Annual Report on CSR Activities forming part of the Annual Report for FY 2023-24.

## PRINCIPLE 5: Businesses should respect and promote human rights

### ESSENTIAL INDICATORS

#### 1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees/workers covered (B)	% (B/A)	Total (C)	No. of employees/workers covered (D)	% (C/D)
<b>Employees</b>						
Permanent	75,748	75,748	100%	69,702	69,702	100%
Other than permanent	-	-	-	-	-	-
<b>Total</b>	<b>75,748</b>	<b>100%</b>	<b>100%</b>	<b>69,702</b>	<b>69,702</b>	<b>100%</b>
<b>Workers</b>						
Permanent						
Other than permanent						
<b>Total</b>						

Note: All employees are provided training on human rights, including POSH and other HR related policies including digitally acknowledging the code of conduct during joining and on an annual basis.

#### 2. Details of minimum wages paid to employees and workers:

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	67,308	111	0.16%	67197	99.84%	62,526	96	0.20%	62,430	99.80%
Female	8,440	29	0.34%	8411	99.66%	7,176	20	0.30%	7,156	99.70%
Other than Permanent										
Male										
Female										
Workers										
Permanent										
Male										
Female										
Other than Permanent										
Male										
Female										

### 3. Details of remuneration/ salary/ wages:

#### a. Median remuneration/ wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category in ₹*	Number	Median remuneration/ salary/ wages of respective category in ₹*
Board of Directors (BoD)	13	41,40,000	2	38,17,500
Key Managerial Personnel (other than BoD)	2	2,20,94,940	0	NA
Employees other than BoD and KMP	67,303	2,50,116	8,440	2,61,600
Workers	NA	NA	NA	NA

\*Annual Remuneration

#### Note:

1. There is no difference in the sitting fee rates based on gender. However, the variance is on account of sitting fees paid to the members based on the number of Board meetings and Board Committee meetings attended by the members.
2. Dr. Holger Dirk Michaelis ceases to be a Director with effect from February 12, 2024

#### b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	10.12%*	9.28%*

\*The gross wages of 10.12 per cent. were paid off to 11.14 per cent. (8,440) of female employees.

#### 4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impact or issues caused or contributed to by the business? (Yes/ No)

Yes. The HR team overlooks Human Rights issues as a whole, but the Bank ensures that all its employees are trained to uphold the dignity of all its stakeholders, especially, the vulnerable and marginalised groups and promotes awareness and realisation of human rights across its network. The Bank believes in the Principle of Natural Justice and treats all employees equally with dignity.

#### 5. Describe the internal mechanisms in place to redress grievances related to human rights issues

The Bank extends many avenues to its employees to raise any grievances including human rights. The integrated Human Resource Management System (HRMS) platform is available for employees to access the entire Employee Life Cycle Management on their own devices and at their own disposal which enables employees to get their grievances redressed. In a nutshell, with the grievance redressal mechanism incorporated into the HRMS, the employees have a one-stop solution for any queries or complaints.

#### 6. Number of Complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	21	04	The pending cases have since been closed	13	03	The pending cases have since been closed
Discrimination at workplace	0	0	-	0	0	-
Child labour	0	0	-	0	0	-
Forced labour/ Involuntary labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights-related issues	0	0	-	0	0	-

**7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY 2023-24	FY 2022-23
Total Complaints reported under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	21#	13*
Complaints on POSH as a % of female employees/ workers	0.20%	0.13%
Complaints on POSH upheld	17	13

# 17 complaints were filed by female employees of the Bank and 04 complaints were filed by non-employees

\*09 complaints were filed by female employees of the Bank and 04 complaints were filed by non-employees

**8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases**

The Bank has a vigil mechanism which acts as a channel for the employees to report any act of unethical behaviour, actual or suspected fraud or violation of the Code of Conduct to the management. The terms of the vigil mechanism are laid down in the 'Whistle Blower Policy' and 'Vigilance Policy', as required under Section 177 of the Companies Act, Regulation 22 of the SEBI LODR and applicable circulars issued by the RBI. The Bank safeguards employees from being victimised while assuring the confidentiality and protection of the whistleblower against any form of retaliation.

**9. Do human rights requirements form part of your business agreements and contracts? (Yes/ No)**

Yes. The Bank's BRSR policy on Principle 5 has been incorporated, which aligns with the Bank's processes and procedures to ensure that the value chain partners are compliant with all Human Rights requirements.

**10. Assessments for the year:**

% of offices that were assessed (by entity or statutory authorities or third parties)	
Child labour	
Forced/ involuntary labour	
Sexual harassment	In addition to the Vigilance team, the Bank's Internal Audit teams conduct 100% branch compliance audits. These audit procedures include a review of branches' compliance with statutory laws.
Discrimination at workplace	
Wages	
Others – please specify	

**11. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 10 above.**

In cases where allegations are established, investigation findings are shared with the 'Disciplinary and Ethics Management Team' (D&EM) for further proceedings. Post completion of the investigation, the cases are presented to the Nomination and Remuneration Committee.

**LEADERSHIP INDICATORS**

**1. Details of a business process being modified/ introduced as a result of addressing human rights grievances/ complaints.**

All operational units including branches have suggestion/ grievance redressal boxes. The HR team frequently monitors the nature of complaints received during the year and has an efficient system to resolve the same.

**2. Details of the scope and coverage of any Human Rights due diligence conducted.**

NIL

**3. Is the premise/ office of the entity accessible to differently-abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes, most of the Bank's key establishments including offices, branches and banking unit premises are accessible to differently-abled visitors. The Bank has taken several measures to create an inclusive environment such as installing ramps, signage and elevators for ease of movement of employees as well as customers with locomotive disability. Similarly, the Bank ensures that doorways and corridors are wide enough for wheelchair users. Additionally, the Bank's restrooms, workstations, and common areas are accessible and equipped with necessary retrofits that are easily accessible by persons with disability. The Bank remains committed to promoting digital accessibility where information and communication technology is accessible to all and/ or compatible with assistive technology devices.

#### 4. Details on assessment of value chain partners:

% of value chain partners (by value of business done with such partners) that were assessed	
Sexual harassment	The Bank has already incorporated policies to ensure responsible supply chain. During the year, no adverse complaints/ cases were reported.
Discrimination at workplace	
Child labour	The Bank follows and is compliant to all extant laws in terms of assessment of value chain partners.
Forced labour/ Involuntary labour	
Wages	
Others – please specify	

#### 5. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 4 above.

Not applicable

### PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

#### ESSENTIAL INDICATORS

##### 1. Details of total energy consumption (in Joules or multiples) and energy intensity

Parameter	FY 2023-24	FY 2022-23
	TJ	TJ
<b>From Renewable Sources</b>		
Total electricity consumption (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
<b>Total energy consumption (A+B+C)</b>	-	-
<b>From non-renewable sources</b>		
Total electricity consumption (D)	6.085*	6.51*
Total fuel consumption (E)	0.0060*	0.0064#
Energy consumption through other sources (F)	-	-
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>6.0907</b>	<b>6.5164</b>
<b>Total energy consumed (A+B+C+D+E+F)</b>	<b>6.0907</b>	<b>6.5164</b>
Energy intensity per rupee of turnover (Total energy consumption/ per rupee of turnover adjusted for Purchasing Power Parity ('PPP') (Total energy consumed/ Revenue from operations adjusted for PPP)	-	-
Energy intensity in terms of physical output (Total Energy consumed/ full-time employee)	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

\*Electricity consumption data is captured from the Head Office and Mega Project of the Bank. It does not cover any other sites or branches.

#Fuel consumption data is only from the Head Office of the Bank. It does not cover any other sites or branches.

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency. (Y/ N) If yes, name of the external agency.

No.

##### 2. Does the entity have any sites/ facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/ N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No. The Bank does not belong to an energy intensive sector, and is not notified to be part of the 13 sectors identified as designated consumers (DCs).

### 3. Provide details of the following disclosures related to water:

Parameter	FY 2023-24	FY 2022-23
<b>Water withdrawal by source (in kiloliters)</b>		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third-party water	78,266.46*	65,195*
(iv) Seawater/ desalinated water	-	-
(v) Others	-	-
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>78,266.46*</b>	<b>65,195*</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>78,266.46*</b>	<b>65,195*</b>
<b>Water intensity per rupee of turnover (Water consumed/ turnover)</b>	-	-
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total water consumption/ Revenue from operations adjusted for PPP)	-	-
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity	-	-

\*The water consumption numbers are based on the usage at the Head Office and Mega Projects of the Bank and does not cover any of the branches.

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency.

No

While the Bank has implemented policies on Principle 6, however, the Bank already has a robust process in place to reduce its footprint. Water consumed in the Bank's operation is primarily for domestic purposes like drinking and sanitation.

### 4. Provide the following details related to water discharged:

Parameter	FY 2023-24	FY 2022-23
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
<b>(i) To Surface water</b>		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
<b>(ii) To Groundwater</b>		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
<b>(iii) To Seawater</b>		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
<b>(iv) Sent to third-parties</b>		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
<b>(v) Others</b>		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
<b>Total water discharged (in kilolitres)</b>	<b>NA</b>	<b>NA</b>

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

### 5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

The majority of the Bank units are rented premises, the mechanism for zero liquid discharge is not material for the Bank's operations. The primary water usage in offices and branches is for domestic consumption.



**6. Please provide details of air emissions (other than GHG emissions) by the entity:**

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	-	34.7*	34.7*
SOx	-	8.2*	8.2*
Particulate matter (PM)	-	192*	192*
Persistent Organic Pollutants (POP)	-	-	-
Volatile Organic Compounds (VOC)	-	-	-
Hazardous Air Pollutants (HAP)	-	-	-
Others – please specify	-	-	-

\*Air Emissions (SOx, NOx, and PM) data is only covering Mega Projects of the Bank

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/ N) If yes, name of the external agency.

No.

**7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity**

Parameter	FY 2023-24	FY 2022-23
<b>Total Scope 1 emissions</b> - Metric tonnes of CO <sub>2</sub> equivalent (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	1.18*	0.47*
<b>Total Scope 2 emissions</b> - Metric tonnes of CO <sub>2</sub> equivalent (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	1201.54*	1284.25*
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b> (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations)	-	-
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations adjusted for PPP)		
<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b> (Total Scope 1 and Scope 2 GHG emissions/ total no. of employees)		
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity	-	-

\*Scope 1 and Scope 2 emissions cover only the Head Office and Mega Projects of the Bank. No other sites or branches are covered

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

**8. Does the entity have any project related to reducing Green House Gas emissions? If yes, then provide details.**

The Bank has allocated considerable resources to enhance afforestation initiatives such as developing a 'Bio-shield' to save the mangroves in the Bharuch district of Gujarat. The key highlights of this project include the plantation of 67,540 saplings on 20 hectares along a stretch of 1 kilometre of the coastline and also the plantation of other medical plant species and fodder species. Additionally, to date, more than 4.17 lakh saplings have been planted over a period of 4 years and 50 water harvesting structures have been constructed with a storage capacity of 1,33,500 kilolitres of water, which approximately resulted in sequestering over 2,248 tonnes of CO<sub>2</sub> equivalent annually to date.

The Bank has also initiated Climate Action Programme under its CSR initiatives that has carried out afforestation in rural areas and greening of urban spaces. Details of the climate action programme are available in the Annual Report of the Bank.

The Total amount of carbon sequestered through the plantation initiatives is estimated to be higher than the carbon footprint of the Bank.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2024-25 (In MT)	FY 2022-23 (In MT)
<b>Total waste generated (in metric tonnes)</b>		
Plastic waste (A)	-	-
E-waste (B)	-	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	-	-
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	-	-
<b>Total (A+B + C + D + E + F + G + H)</b>	-	-
<b>Waste intensity per rupee of turnover</b> (Total waste generated/ Revenue from operations)		
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total waste generated/ Revenue from operations adjusted for PPP)		
<b>Waste intensity in terms of physical output</b> (Total waste generated/ no. of employees)		
<b>Waste intensity</b> (optional) – the relevant metric may be selected by the entity		
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycle	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
<b>Total</b>	-	-
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
<b>Total</b>	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The services offered by the Bank to its customers do not entail the usage of hazardous or toxic chemicals. The Bank is working towards making waste management practices more efficient and has partnered with third-party service providers for shredding paper in the corporate office. The Bank's processes and procedures are designed in a manner that optimisation of resource usage and waste generation is minimal. Similarly, battery and e-waste are responsibly recycled and disposed of through certified vendors across all operational units.

11. If the entity has operations/ offices in/ around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/ clearances are required, please specify details in the following format:

Sl. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with? (Y/ N) If no, the reasons thereof and corrective action taken, if any.
Not applicable			

**12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year**

Name and brief details of the project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/ No)	Relevant Web-link
Bandhan Bank Limited has undertaken Head Quarter Project named 'Mega Project'. The current project is a construction project of 'Corporate Building' which is comprised of 1 No. Business Building' B1+B2+G+23 floors and a G+3 storied Service Utility Building. The construction activities of the project are near completion. Construction work started in April 2020. The Environmental impact assessment has been conducted by an independent external agency, however, the results are not communicated in the public domain.					
Environmental Clearance from SEIAA- 905 / EN / T-II-1 /083/ 2018 dated, 08.07.2020 as per provisions of the EIA notification no. SO. 1533 (E) dated, 14 <sup>th</sup> September, 2006 of MoEFCC, GOI.					

**13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment Protection Act and Rules thereunder (Y/N). If not, provide details of all such non-compliances.**

The Bank complies with all applicable laws. There have been no instances of non-compliance with respect to the abovementioned regulations

Sl. No.	Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/ penalties/ action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
	NIL	NIL	NIL	NIL

**LEADERSHIP INDICATORS**

**1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

For each facility/ plant located in areas of water stress, provide the following information:

- Name of the area
- Nature of operations
- Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2023-24	FY 2022-23
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	NA	NA
(iv) Seawater/ desalinated water	NA	NA
(v) Others	NA	NA
<b>Total volume of water withdrawal (in kilolitres)</b>	NA	NA
<b>Total volume of water consumption (in kilolitres)</b>	NA	NA
<b>Water intensity per rupee of turnover</b> (Water consumed/ turnover)	NA	NA
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity	NA	NA
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(ii) Into Groundwater	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iii) Into Seawater	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA

Parameter	FY 2023-24	FY 2022-23
(iv) Sent to third-parties	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(v) Others	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
<b>Total water discharged (in kilolitres)</b>	<b>NA</b>	<b>NA</b>

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/ N) If yes, name of the external agency.

No

**2. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2023-24	FY 2022-23
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	-	-	-
<b>Total Scope 3 emissions per rupee of turnover</b>	-	-	-
<b>Total Scope 3 emissions intensity</b> (optional)- the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/ N) If yes, name of the external agency

No

The Bank has a shallow credit footprint in the coal sector with 0.006% outstanding loans, whereas, the Bank has increased its footprint portfolio in green financing, including renewable energy (solar) loan portfolio with a 3.44% outstanding loan.

**3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.**

Not applicable

**4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/ effluent discharge/ waste generated, please provide details of the same as well as the outcome of such initiatives, as per the following format:**

Sl. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along with summary)	Outcome of the Initiative
1.	The corporate office is located in GBC-GOLD rated Green Building-certified property	AdventzInfinity@5 is a superlative green IT/ITes building with about 8.5 lac square feet of high energy work space situated at the heart of Salt Lake, Sector V, Kolkata. The entire infrastructure is designed to maximise daylight and a superior indoor airflow of humidity-controlled fresh air. AdventzInfinity@5 is a certified IGBC-GOLD-rated green building and hence will use the latest innovations in energy and water efficiency, sustainable practices, resource recycling and green building practices. <a href="https://www.infinityitpark.com/adventzinfinity">https://www.infinityitpark.com/adventzinfinity</a>	The building is advocating a low-carbon economy.
2.	Water treatment facility in the Corporate Office	Plumbing- 100% waste water recycle plant (STP); use of water-efficient sanitary fixtures. <a href="https://www.infinityitpark.com/adventzinfinity">https://www.infinityitpark.com/adventzinfinity</a>	Advocating a wastewater recycling
3.	All offices, branches and business units are equipped with energy-efficient LED lighting systems	All offices, branches and business units are equipped with energy-efficient LED lighting systems.	Advocating a low-carbon economy.
4.	All offices' air conditioners are set at 24-25°C as per the latest standards of ASHRAE and BEE	<a href="https://www.mca.gov.in/Ministry/pdf/AcTempNotice_21082018.pdf">https://www.mca.gov.in/Ministry/pdf/AcTempNotice_21082018.pdf</a> <a href="https://www.ashrae.org/technical-resources/bookstore/standards-62-1-62-2#:~:text=ANSI%2FASHRAE%20Standards%2062.1%20and,adverse%20health%20effects%20for%20occupants">https://www.ashrae.org/technical-resources/bookstore/standards-62-1-62-2#:~:text=ANSI%2FASHRAE%20Standards%2062.1%20and,adverse%20health%20effects%20for%20occupants</a>	Advocating a low-carbon economy.

Sl. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along with summary)	Outcome of the Initiative
5.	CSR Initiatives on Climate Change adaptation	<a href="https://bandhanbank.com/beyond-banking">https://bandhanbank.com/beyond-banking</a>	Carbon sequestration through afforestation and plantation activities
6.	CSR initiatives on water conservation	<a href="https://bandhanbank.com/beyond-banking">https://bandhanbank.com/beyond-banking</a>	Created rainwater harvesting potential for irrigation purposes and saving the area from groundwater depletion

**5. Does the entity have a business continuity and disaster management plan?**

The Bank has put in place a Business Continuity and Management Framework to recover critical activities and systems within defined timelines, ensuring the safety of its people and assets, communicating with stakeholders during an emergency and managing reputational risk. The Business Continuity & Planning Management Committee ('BCPMC') has laid down procedures that need to be followed to address crisis management events like bank-wide disasters such as pandemics, terrorist attacks, ransomware attacks, fire, cyclones, earthquakes, city-level floods, cyber-attacks and data centre outages.

**6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

Not applicable

**7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

Not applicable

**PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**ESSENTIAL INDICATORS**

**1. a. Number of affiliations with trade and industry chambers/ associations.**

The Bank is associated with 3 associations as listed in answer 1(b) of this section.

**b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.**

Sl. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)
1	IBA (Indian Banks' Association)	National
2	CII (Confederation of Indian Industries)	National
3	BCC&I (Bengal Chambers of Commerce & Industries)	State

**2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
There has not been any cases related to anti-competitive conduct of the Bank.		

**LEADERSHIP INDICATORS**

**1. Details of public policy positions advocated by the entity:**

Sl. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/ No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly/ Others – please specify)	Web Link, if available
The Bank does not engage in public policy advocacy and has not partnered with any association for setting any benchmark.					



**PRINCIPLE 8: Businesses should promote inclusive growth and equitable development****ESSENTIAL INDICATORS**

1. **Details of Social Impact Assessments ('SIA') of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/ No)	Relevant Web link
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No such projects have been undertaken by the Bank for which SIA needs to be carried out as per applicable laws.

However, the Bank conducts its CSR activities proactively and has performed an Impact Assessment of the same, details of which are furnished on the website of the Bank.

To evaluate the impact of the CSR initiatives and understand the perception of the beneficiaries and stakeholders, the Bank appointed EY and an external agency, to conduct an impact assessment study of 19 selected CSR projects belonging to the following programmes.

- Bandhan Health Programme
- Targeting the Hard-core Poor Programme
- Bandhan Education Programme
- Employing the Unemployed Programme
- Bandhan Financial Literacy Programme
- Bandhan Sustainable Livelihoods Programme
- Bandhan Climate Action Programme

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.**

Sl. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
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Not applicable

3. **Describe the mechanisms to receive and redress grievances of the community.**

The Bank always makes an effort to establish a reliable relation with the local communities in the areas where it operates. The Bank provides facilities for improving education, healthcare, and social welfare while considering community voices, addressing their needs, and working to improve the standard of living in the area.

Any community and beneficiary who are involved supported by the Bank through the project implementing agency – Bandhan Konnagar, has the right to report and raise complaints directly or indirectly by mailing at e-mail ID: grievance@bandhan.org

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers.**

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers		
Sourced directly from within the district and neighbouring districts		Not Applicable

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/ on contract basis) in the following locations, as % of total wage cost**

Location	FY 2023-24	FY 2022-23
Rural	22%	25%
Semi-urban	25%	25%
Urban	32%	32%
Metropolitan	21%	18%

(Place to be categorised as per RBI Classification System - rural/ semi-urban/ urban/ metropolitan)

**LEADERSHIP INDICATORS**

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective action taken
Not applicable	

**2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

Sl. No.	State	Aspirational District	Amount spent
1	Assam	Dhubri	60,65,590.80
2		Goalpara	37,35,319.42
3		Barpeta	31,01,705.85
4		Hailakandi	1,45,710.62
5	Bihar	Jamui	13,66,401.63
6		Katihar	12,11,938.84
7		Seikhpura	2,73,215.60
8	Jharkhand	Bokaro	65,17,715.83
9		Ramgarh	71,80,086.43
10		Ranchi	1,12,57,833.13
11		Sahebganj	14,40,262.71

**3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/ vulnerable groups? (Yes/ No)**

No

**(b) From which marginalised/ vulnerable groups do you procure?**

Not Applicable

**(c) What percentage of total procurement (by value) does it constitute?**

Not Applicable

**4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.**

Sl. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/ No)	Benefit shared (Yes/ No)	Basis of calculating benefit share
Not Applicable				

**5. Details of corrective actions taken or underway, based on any adverse order in intellectual property-related disputes wherein usage of traditional knowledge is involved.**

Name of Authority	Brief of the Case	Corrective Action Taken
Not Applicable		

**6. Details of beneficiaries of CSR Projects**

Sl. No.	CSR Project	No. of persons benefited from CSR projects	% of beneficiaries from vulnerable and marginalised groups
1	Targeting Hard Core Poor Programme – 11	10,000	100%
2	Targeting Hard Core Poor Programme – 12	3,000	100%
3	Targeting Hard Core Poor Programme – 13	3,000	100%
4	Bandhan Education Programme – 1	25,290	100%
5	Bandhan Education Programme – 2	14,308	100%
6	Bandhan Education Programme – Academy	3,331	100%
7	Bandhan Health Programme-SMILE-VI	84,719	100%
8	Bandhan Health Programme-SMILE-VII	30,126	100%
9	Bandhan Health Programme- Safe Water	35,144	100%
10	Employing Unemployed Programme	2,350	100%
11	Bandhan Financial Literacy Programme	72,003	100%
12	Bandhan Climate Action Programme-1	09	100%
13	Bandhan Climate Action Programme-2	695	100%
14	Bandhan Sustainable Livelihood Programme	38	100%
<b>Total</b>		<b>2,84,013</b>	<b>100%</b>

**PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner****ESSENTIAL INDICATORS****1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

As a service organisation, customer service and customer satisfaction are the prime concern of any bank. The Bank believes that providing prompt & efficient service is essential not only to attract new customers but also to retain existing ones. The Bank has a robust customer dispute resolution mechanism, which the Bank has implemented in the form of a CRM application named, 'TALISMA'.

The customer complaints received in the Bank branches through multiple channels are supervised by a dedicated centralised team for identifying product shortcomings, staff behavioural issues, service delivery issues, and the team also endeavours to resolve and close customer grievances within the shortest possible time.

It is ensured that all the officials of the Bank while dealing with customers, adhere to the laid down guidelines of the Bank in true letter and spirit. The Bank offers regular training programmes on the management of customer complaints to its employees and ensures that the customer grievances are redressed in a just, fair and efficient manner and governed by mandated regulations and the Bank's guidelines on customer service.

**2. Turnover of products and/ services as a percentage of turnover from all products/ services that carry information about:**

As a percentage to total turnover	
Environmental and social parameters relevant to the product	
Safe and responsible usage	Not applicable
Recycling and/ or safe disposal	

**3. Number of consumer complaints in respect of the following:**

	FY 2023-24			FY 2022-23		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data Privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-Security	-	-	-	-	-	-
Delivery of Essential Services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Others*	60,330	1,150	Out of 1,150 pending complaints, 1,110 has since been closed.	37,752	1,420	-

\*Customer complaints related to service delivery, excludes court cases (if any)

**4. Details of instances of product recalls on account of safety issues:**

Number	Reasons for recall
Voluntary recalls	Not applicable as the Bank belongs to the service industry
Forced recalls	

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/ No) If available, provide a web-link of the policy.**

Yes.

Web-link: <https://bandhanbank.com/sites/default/files/2024-02/Customer-Policy-010224.pdf>

The Bank is highly committed to providing its utmost attention to the customers and providing them with superior services and the freedom of choice in the selection and usage of banking services. The Bank recognises that maintaining trust and regard of customers are important for the Bank's success and longevity, in a fiercely competitive market. Through digital platforms and

initiatives, the Bank will provide customers, the flexibility to access and consume banking services over any digital platform of their choice and recognises that product quality and service delivery are vital for business growth. The Bank seeks to achieve this by regularly reviewing service levels and capturing feedback from customers.

The Bank recognises that one of its fundamental responsibilities is to ensure that the Bank protects personal information entrusted to the Bank by its customers. The security of personal information is a priority and is ensured by maintaining physical, electronic, and procedural safeguards that meet applicable laws to protect customer information against loss, misuse, damage and unauthorised access, modifications or disclosures. Employees are trained for proper handling of personal information. The Bank continuously reviews and enhances its security policies and security measures to consistently maintain a high level of security.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/ action taken by regulatory authorities on safety of products/ services.**

One of the major areas applicable to the Bank related to corrective actions taken to resolve issues, is cybersecurity and data privacy of the customers. To combat such issues, the Bank has formed a committee equipped with tools specific to handling these kinds of threats, known as the IT Strategy Committee of the Board ('ITSCB'). The ITSCB, constituted pursuant to guidelines/ circulars issued by RBI, deals with the information technology, information security, cybersecurity, etc., aspects of the Bank. The primary role of the committee includes:

- Formulation of IT strategy;
- Amend the IT policy to keep it aligned with current market trends;
- Update the Board on progress of IT levers and current global landscape of the IT in banking sector;
- Review periodically the Bank's IT strategy and ensured its alignment with the current trends in the banking sector;
- Review IT risks;
- Ensure proper balance of IT investments for sustaining the Bank's growth;
- Oversee the aggregate funding of IT at the Bank-level;
- Ascertain if the management has adequate resources to ensure proper administration of IT risks;
- Review the contribution of IT.

**LEADERSHIP INDICATORS**

**1. Channels/ platforms where information on products and services of the entity can be accessed (provide web-link, if available).**

Information relating to all the products and services provided by the Bank is available on its website. In addition, the Bank actively uses various social media and digital platforms to disseminate information on its loans and deposits. Additionally, the Bank also has a dedicated mobile app available known as 'mBandhan' which is an all-purpose app wherein customers can access their accounts and subscribe to online banking facilities. Advertisements and information related to products and offerings are also available on the Bank's portal as mentioned below:

The Bank's Website link- <https://bandhanbank.com/>

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

Activities undertaken for enhancement of customer awareness during the FY 2023-24:

- a) Financial Literacy Camps are conducted periodically by the Bank to educate and create awareness amongst the customers, particularly among the marginalised, less tech-savvy and rural communities, regarding their rights and responsibilities. It may be noted that 4,988 Financial Literacy Camps were conducted by the Bank in FY 2023-24. Moreover, the Bank educates its customers periodically on the safe usage of its products and associated risks emanating from social engineering. Such communications are sent in English and other applicable vernacular languages.
- b) The Bank, in collaboration with RBI officials, has conducted focused programs to raise public awareness on the types and characteristics of digital frauds, safe banking practices, customer rights and responsibilities and details of various schemes and services offered by the Bank. In FY 2023-24, eight such programs have been conducted at rural/ semi-urban/ urban centres.

- c) Further, the salient features of the Reserve Bank Integrated Ombudsman Scheme and the internal grievance redress mechanism of the Bank are displayed on the Bank's website and in all the branches of the Bank. The displayed messages are drafted in regional languages like English, Hindi, and regional languages to enhance public awareness.
- d) 'Dial 1930' to report Cyber Crime, RBI prescribed booklet on *Modus Operandi* of Financial Fraudsters (Raju & the Forty Thieves), etc. are also displayed on the Bank's website to increase awareness of the customers of the Bank and public in general.

### 3. Mechanisms in place to inform consumers of any risk of disruption/ discontinuation of essential services.

In the Banking sector, one of the major security concerns that exist is related to cyber-attacks and digital banking frauds. The Bank has taken certain initiatives in order to inform and educate customers regarding the risks associated with digital banking frauds and methods to avoid being subjected to such attacks. Some of the steps taken by the Bank are the following:

- a) Introduction of dynamic OTP based authentication in addition to login password as an additional security feature in Retail Internet Banking application.
- b) Disallowing premature/ partial withdrawal of term deposits ('TD'), held in joint names, through internet banking platform to prevent unauthorised withdrawals of TDs.
- c) Incorporation of additional security features (the mandatory security features prescribed by RBI as per CTS-2010 standards), i.e., Micro lettering of 'Bandhan Bank' as well as 'Customer Account Number' in account number box and amount box on the cheque's leaves issued to customers, to reduce chances of misuse of cheques by cloning, tampering, alterations, etc.
- d) One of the key features of BCP framework of the Bank is- Crisis communication plan. The Bank proactively communicates its customers about any planned or unplanned disruption/ discontinuation of essential services through SMS and email.

### 4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/ No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/ services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/ No)

The banking industry is facing a rapidly changing market, technological disruption, economic uncertainties, increasing competition, and especially more demanding customers. The income and business growth of the Bank depends on loyal and satisfied customers. The Bank understands and continuously aims to evolve the way to handle personal and business finances. The Bank believes that great customer service comes with efficient, flawless operations including keeping pace with both live and digital options to ensure seamless and hassle-free service to customers. Amidst strong market competition, the Bank continuously strives to improve its relationship with customers by providing them with necessary product information and creating customer awareness.

The Bank conducts customer satisfaction surveys and workshops with senior citizens, women customers, low-income groups at the Bank branches to collect insight into parameters like –

- Reliability
- Responsiveness
- Empathy
- Assurance

Feedbacks from the customers are collated for generating scores to evaluate the performance and behaviour of employees handling customers across all the Bank branches and offices.

### 5. Provide the following information relating to data breaches:

- a. Number of instances of data breaches along-with impact: NIL
- b. Percentage of data breaches involving personally identifiable information of customers: NIL

For and on behalf of the Board of Directors  
**Bandhan Bank Limited**

Place: Kolkata  
Date: July 26, 2024

**Anup Kumar Sinha**  
Non-Executive (Independent) Chairman  
(DIN: 08249893)

# Independent Auditor's Report

To the Members of Bandhan Bank Limited

## Report on the Audit of the Financial Statements

### Opinion

1. We have audited the accompanying financial statements of **Bandhan Bank Limited** (the "Bank") which comprise the Balance Sheet as at March 31, 2024, the Profit and Loss Account, the Cash Flow Statement for the year then ended, and notes to the Financial Statements including a summary of significant accounting policies and other explanatory information ("the Financial Statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ("the Act") and the circulars and guidelines issued by Reserve Bank of India, in the manner so required for banking companies and are in conformity with the accounting principles generally accepted in India including the accounting standards specified under Section 133 of the Act as applicable to banks and give a true and fair view of the state of affairs of the Bank as at March 31, 2024, and its profit and its cash flows for the year ended on that date.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

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



## Identification and Provisioning of Non-performing Advances (NPA):

Total NPA as at March 31, 2024: ₹4,784.88 crore

Provision for NPA as at March 31, 2024: ₹3,437.27 crore

(Refer Schedule 9, 18.6 & 18.7 to the Financial Statements)

Key Audit Matter	How our audit addressed the key audit matter
<p>Identification of NPA and measurement of provision on account of NPA is made based on the assessment of various criteria stipulated in the Reserve Bank of India ('RBI') guidelines on 'Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to advances' ('IRACP').</p> <p>The Bank is also required to apply its judgement to determine the identification and provision required against NPAs by applying quantitative as well as qualitative factors. The risk of identification of NPAs is affected by factors like stress and liquidity concerns in certain sectors.</p> <p>The provision against advances is based on criteria such as past due status, out of order status etc. The provision in respect of such NPAs are made based on ageing and classification of NPAs, recovery estimates, value of security, nature of loan products and other qualitative factors and is subject to minimum provisioning levels prescribed by the RBI and approved policy of the bank in this regard. In addition to this, for restructured accounts, provision is made for erosion/ diminution in fair value of restructured loans, in accordance with the RBI guidelines. Further, NPA classification is made borrower wise whereby if one facility of the borrower becomes NPA then all facilities of such a borrower will be treated as NPA.</p> <p>We have identified 'Identification of NPA and Provisioning on Advances' as a key audit matter in view of the significant level of estimation involved, as well as the stringent compliances laid down by the RBI in this regard.</p>	<ul style="list-style-type: none"> <li>Tested the design and operating effectiveness of key controls (including application controls) over approval, recording, monitoring, and recovery of loans, monitoring overdue/ stressed accounts, identification of NPA, provision for NPA, and valuation of security including collateral. Testing of Application controls includes testing of automated controls, reports and system reconciliations.</li> <li>Evaluated the governance process and tested controls over calculations of provision on non-performing advances, basis of provisioning in accordance with the Board approved policy.</li> <li>Selected the borrowers based on quantitative and qualitative risk factors for their assessment of appropriate classification as NPA including computation of overdue ageing to assess its correct classification and provision amount as per the IRACP norms and Bank policy.</li> </ul> <p>Performed other substantive procedures including but not limited to the following:</p> <ul style="list-style-type: none"> <li>❖ Selected sample of performing loans and assessed them independently as to whether these should be classified as NPA;</li> <li>❖ For sample selected, examined the security valuation, financial statements and other qualitative information of the borrowers;</li> <li>❖ Considered the accounts reported by the Bank and other Banks as Special Mention Accounts ("SMA") in RBI's Central Repository of Information on Large Credits (CRILC) to identify stress;</li> <li>❖ Performed inquiries with the credit and risk departments to ascertain if there were indicators of stress or an occurrence of an event of default in a particular loan account or any product category which needs to be considered as NPA;</li> <li>❖ Assessed the appropriateness of asset classification and adequacy of related provisioning by performing procedures such as computation of overdue ageing, assessment of borrower level, NPA identification and verification of applicable provision rates as per IRACP norms and Bank's Policy on test check basis; and assessed the adequacy of disclosures against the relevant accounting standards and RBI requirements relating to NPAs.</li> </ul>

## Information Technology (“IT”) Systems and Controls impacting Financial Reporting

Key Audit Matter	How our audit addressed the key audit matter
<p>The Bank has a complex IT architecture to support its day-to-day business operations. High volume of transactions are processed and recorded on single or multiple applications.</p> <p>The reliability and security of IT systems plays a key role in the business operations of the Bank. Since large volume of transactions are processed daily, the IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner.</p> <p>Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting.</p> <p>We have identified ‘IT systems and controls’ as key audit matter because of the high level automation, significant number of systems being used by the management and the complexity of the IT architecture and its impact on the financial reporting system.</p>	<p>Our procedures with respect to this matter included the following:</p> <p>In assessing the controls over the IT systems of the Bank, we involved our technology specialists to obtain an understanding of the IT environment, IT infrastructure and IT systems. We evaluated and tested relevant IT general controls over the “in-scope” IT systems and IT dependencies identified as relevant for our audit of the financial statements and financial reporting process of the Bank. On such “in-scope” IT systems, we have tested key IT general controls with respect to the following domains:</p> <ul style="list-style-type: none"> <li>• Program change management, which includes that program changes are moved to the production environment as per defined procedures and relevant segregation of environment is ensured.</li> <li>• User access management, which includes user access provisioning, de-provisioning, access review, password management, sensitive access rights and segregation of duties to ensure that privilege access to applications, operating systems and databases in the production environment were granted only to authorized personnel.</li> <li>• Program development, which includes controls over IT application development or implementation and related infrastructure, which are relied upon for financial reporting. In addition, understood where relevant, changes made to the IT landscape during the audit period.</li> <li>• IT operations, which includes job scheduling, monitoring and backup and recovery.</li> </ul> <p>We also evaluated the design and tested the operating effectiveness of relevant key IT dependencies within the key business process, which included testing automated controls, automated calculations/ accounting procedures, interfaces, segregation of duties and system generated reports, as applicable.</p> <p>We communicated with those charged with governance and management and tested a combination of compensating controls or remediated controls and/or performed alternative audit procedures, where necessary.</p>

## Other Information

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

Our opinion on the Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in

the audit, or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

## Responsibilities of management and those charged with governance for the Financial Statements

6. The Bank’s Board of Directors are responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation and presentation 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 accounting principles generally accepted in India, including the Accounting Standards specified under Section

133 of the Act read with the Companies (Accounting Standards) Rules, 2021, and the provisions of Section 29 of the Banking Regulations Act, 1949 and circulars, guidelines and directions issued by the Reserve Bank of India ("RBI") from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are

appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Bank has internal financial controls with reference to the Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management of the Bank.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. 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.
  11. 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.
  12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on other legal and regulatory requirements

13. In our opinion, the Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Act.

14. As required by sub-section (3) of Section 30 of the Banking Regulation Act, 1949, we report that:

- (a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
- (b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank;
- (c) During the course of our audit, we have visited 22 branches and 37 banking units to examine the books of account and other records maintained at the branch and performed other relevant audit procedures. Since the key operations of the Bank are automated with the key applications integrated to the core banking system, the audit is carried out centrally at the Bank's Head Office located in Kolkata, as all the necessary records and data required for the purposes of our audit are available there.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books, except for the matters stated in paragraph 15(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules");
- (c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with Companies (Accounting Standards) Rules 2021, to the extent they are not inconsistent with the guidelines prescribed by RBI;
- (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) The modifications relating to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 15(b) above on reporting under Section 143(3)(b) of the act and paragraph 15(h)(vi) below on reporting under Rule 11(g) of the Rules;
- (g) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the

Bank and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Bank has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Schedule 12 & 18.17 to the Financial Statements;
  - ii. The Bank did not have any long term contract including derivative contracts for which there were material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank, during the year ended March 31, 2024;
  - iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Schedule 18.33 to the Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Schedule 18.33 to the Financial Statements, no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

- v. (a) The final dividend proposed in the previous year, declared and paid by the bank during the year is in accordance with the Section 123 of the Act, as applicable; and
- (b) As stated in Schedule 18.3 to the Financial Statements, the Board of Directors of the Bank have proposed dividend for the financial year 2023-24 which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable, until the date of this report.
- vi. Based on our examination, which included test checks, the Bank has used various accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility, which have operated throughout the year for all relevant transactions recorded in the software, except;
- (a) the audit trail feature was not enabled throughout the year at the database level in respect of two accounting software(s) to log any direct data changes and in case of one accounting software audit trail was enabled at database level from February 18, 2024;
- (b) non-availability of sufficient appropriate audit evidence regarding recording of audit trail and non-disabling thereof in respect of two sunset software which were discontinued during the year (also, refer schedule 18.37 to the financial statements of the Bank).
- Based on our procedures performed, we did not notice any instance of the audit trail feature being tampered with. In respect of the aforesaid databases, in the absence of audit trail for the said period, the question of our commenting on whether the audit trail was tampered with, does not arise.
16. In our opinion and to the best of our information and according to the explanations given to us, the provisions of Section 197 of the Act are not applicable to the Bank by virtue of Section 35B(2A) of the Banking Regulation Act, 1949. Accordingly, the reporting under Section 197(16) of the Act regarding payment/ provision for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act, is not applicable.

For **M M Nissim & Co LLP**  
Chartered Accountants  
(Firm Registration No. 107122W/ W100672)

**Navin Kumar Jain**  
Partner  
Membership No. 090847  
UDIN: 24090847BKFEHH7745

Place: Kolkata  
Date: May 17, 2024

For **Singhi & Co**  
Chartered Accountants  
(Firm Registration No. 302049E)

**Ankit Dhelia**  
Partner  
Membership No. 069178  
UDIN: 24069178BKFDOD6107

Place: Kolkata  
Date: May 17, 2024

## **Annexure A to Independent Auditor's Report**

Referred to in paragraph 15(g) of the Independent Auditor's Report of even date to the members of Bandhan Bank Limited on the financial statements for the year ended March 31, 2024

### **Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls with reference to Financial Statements of Bandhan Bank Limited ("the Bank") as of March 31, 2024, 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**

2. The Banks'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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Banks's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Banks's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Banks's internal financial controls system with reference to Financial Statements.

### **Meaning of Internal Financial Controls with reference to financial statements**

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



### Inherent Limitations of Internal Financial Controls with reference to financial statements

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

For **M M Nissim & Co LLP**

Chartered Accountants

(Firm Registration No. 107122W/ W100672)

**Navin Kumar Jain**

Partner

Membership No. 090847

UDIN: 24090847BKFEHH7745

Place: Kolkata

Date: May 17, 2024

### Opinion

8. In our opinion, the Bank has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2024, 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 ICAI.

For **Singhi & Co**

Chartered Accountants

(Firm Registration No. 302049E)

**Ankit Dhelia**

Partner

Membership No. 069178

UDIN: 24069178BKFDOD6107

Place: Kolkata

Date: May 17, 2024

# Balance Sheet

as at March 31, 2024

(₹ in '000)

Particulars	Schedule	As at March 31, 2024	As at March 31, 2023
<b>Capital &amp; Liabilities</b>			
Capital	1	16,109,697	16,108,365
Employees Stock Options Outstanding	1A	441,899	119,456
Reserves & Surplus	2	199,544,784	179,613,704
Deposits	3	1,352,019,862	1,080,646,905
Borrowings	4	163,715,240	247,108,226
Other Liabilities and Provisions	5	46,585,108	36,774,270
<b>Total</b>		<b>1,778,416,590</b>	<b>1,560,370,926</b>
<b>Assets</b>			
Cash and Balances with Reserve Bank of India	6	153,926,841	73,265,829
Balance with Banks and Money at call and short notice	7	7,778,420	9,231,410
Investments	8	292,875,784	323,658,918
Advances	9	1,211,367,833	1,047,567,691
Fixed Assets	10	11,734,263	8,545,906
Other Assets	11	100,733,449	98,101,172
<b>Total</b>		<b>1,778,416,590</b>	<b>1,560,370,926</b>
Contingent liabilities	12	92,144,446	82,774,641
Bills for collection		-	-
Significant Accounting Policies and Notes to Accounts	17 & 18		

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

As per our report of even date

For and on behalf of Board of Directors

**For Bandhan Bank Limited**

**For M M NISSIM & CO LLP**  
Chartered Accountants  
Firm Registration Number :  
107122W / W100672

**For SINGHI & CO**  
Chartered Accountants  
Firm Registration Number :  
302049E

**Chandra Shekhar Ghosh**  
Managing Director & CEO  
Kolkata  
DIN: 00342477

**Anup Kumar Sinha**  
Non-Executive Chairman  
Kolkata  
DIN: 08249893

**Vijay Nautamlal Bhatt**  
ACB Chairman &  
Independent Director  
Kolkata  
DIN: 00751001

**Navin Kumar Jain**  
Partner  
Membership Number : 090847  
Place : Kolkata  
Date : May 17, 2024

**Ankit Dhelia**  
Partner  
Membership Number : 069178  
Place : Kolkata  
Date : May 17, 2024

**Ratan Kumar Kesh**  
Executive Director & COO  
Kolkata  
DIN: 10082714

**Rajinder Kumar Babbar**  
Executive Director & CBO  
Kolkata  
DIN: 10540386

**Rajeev Mantri**  
Chief Financial Officer  
Kolkata

**Indranil Banerjee**  
Company Secretary  
Kolkata

# Profit and Loss Account

for the year ended March 31, 2024

(₹ in '000)

Particulars	Schedule	Year ended March 31, 2024	Year ended March 31, 2023
<b>I. Income</b>			
Interest Earned	13	188,696,182	159,046,996
Other Income	14	21,646,539	24,685,507
<b>Total</b>		<b>210,342,721</b>	<b>183,732,503</b>
<b>II. Expenditure</b>			
Interest Expended	15	85,440,106	66,450,814
Operating Expenses	16	58,507,778	46,368,194
Provisions & Contingencies	18.1	44,099,210	48,967,115
<b>Total</b>		<b>188,047,094</b>	<b>161,786,123</b>
<b>III. Net Profit for the year (I-II)</b>		<b>22,295,627</b>	<b>21,946,380</b>
Balance in Profit & Loss Account brought forward from previous year		74,537,813	60,099,356
<b>IV. Amount available for appropriations</b>		<b>96,833,440</b>	<b>82,045,736</b>
<b>V. Appropriations/Transfers</b>			
Transfer to Statutory Reserves		5,573,906	5,486,596
Transfer to Statutory Reserve u/s 36(1)(viii) of Income Tax Act 1961		984,116	1,692,035
Transfer to Capital Reserve		41,836	17,404
Transfer to Investment Reserve		1,532,773	-
Transfer to/(from) Investment Fluctuation Reserve		(506,799)	311,888
Dividend Paid		2,416,297	-
Balance carried over to Balance Sheet		86,791,311	74,537,813
<b>Total</b>		<b>96,833,440</b>	<b>82,045,736</b>
<b>VI. Earnings per Share (refer Note 18.14)</b>			
Basic (₹)		13.84	13.62
Diluted (₹)		13.84	13.62
Face value per share (₹)		10	10
Significant Accounting Policies and Notes to Accounts	17 & 18		

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

As per our report of even date

For and on behalf of Board of Directors

**For Bandhan Bank Limited**

**For M M NISSIM & CO LLP**  
Chartered Accountants  
Firm Registration Number :  
107122W / W100672

**For SINGHI & CO**  
Chartered Accountants  
Firm Registration Number :  
302049E

**Chandra Shekhar Ghosh**  
Managing Director & CEO  
Kolkata  
DIN: 00342477

**Anup Kumar Sinha**  
Non-Executive Chairman  
Kolkata  
DIN: 08249893

**Vijay Nautamlal Bhatt**  
ACB Chairman &  
Independent Director  
Kolkata  
DIN: 00751001

**Navin Kumar Jain**  
Partner  
Membership Number : 090847  
Place : Kolkata  
Date : May 17, 2024

**Ankit Dhelia**  
Partner  
Membership Number : 069178  
Place : Kolkata  
Date : May 17, 2024

**Ratan Kumar Kesh**  
Executive Director & COO  
Kolkata  
DIN: 10082714

**Rajinder Kumar Babbar**  
Executive Director & CBO  
Kolkata  
DIN: 10540386

**Rajeev Mantri**  
Chief Financial Officer  
Kolkata

**Indranil Banerjee**  
Company Secretary  
Kolkata

# Cash Flow Statement

for the year ended March 31, 2024

Particulars	(₹ in '000)	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>A. Cash flow from Operating Activities :</b>		
Profit Before Taxation	29,429,123	28,929,842
<b>Adjustments for :</b>		
Depreciation and amortization	2,375,756	1,426,456
Provisions & Contingencies	36,965,714	41,983,653
Interest Income from fixed deposits	(75,568)	(29,180)
Profit on sale of Held-to-maturity (HTM) securities	(74,543)	(31,009)
Interest Income from Investments in Held-to-maturity (HTM) securities	(14,008,995)	(13,357,140)
Provision/(reversal of provision) for depreciation in value of investments	(2,731,048)	7,719,732
Employee Stock Options Expense	351,537	67,060
Profit / (Loss) on sale of fixed assets	(1,263)	4,581
<b>Operating Profit Before Working Capital Changes</b>	<b>52,230,713</b>	<b>66,713,995</b>
<b>Movements in working capital :</b>		
(Increase)/Decrease in Advance	(200,349,721)	(173,525,532)
(Increase)/Decrease in other Assets	197,880	(35,255,329)
(Increase)/Decrease in Investment in HFT & AFS securities	25,339,971	(15,594,406)
Increase in Deposits	271,372,958	117,340,773
Increase in Other Current Liabilities and Provisions	10,583,328	5,047,636
<b>Cash flows generated from operations</b>	<b>159,375,129</b>	<b>(35,272,863)</b>
Direct Taxes Paid (net of refunds)	(11,290,920)	(7,173,296)
<b>Net Cash flows generated from/(used in) Operating Activities (A)</b>	<b>148,084,209</b>	<b>(42,446,159)</b>
<b>B. Cash flow from Investing Activities :</b>		
Purchase of Fixed Assets (including capital work in progress)	(5,574,223)	(4,120,858)
Sale of Fixed Assets	11,372	22,765
Interest Received from fixed deposits	76,074	29,045
Interest Received from Investments in Held-to-maturity (HTM) securities	14,148,765	12,855,870
(Increase)/Decrease in Held to Maturity Investment	8,248,747	(24,966,133)
Deposits created with banks and financial institutions	(955)	(91)
<b>Net Cash flows generated from/(used in) Investing Activities (B)</b>	<b>16,909,780</b>	<b>(16,179,402)</b>
<b>C. Cash flow from Financing Activities :</b>		
Dividend paid	(2,416,297)	-
Proceeds from share issue (Including share premium)	23,988	16,576
Proceeds from/(Repayment) of short term borrowings	17,578,690	43,321,878
Proceeds from/(Repayment) of long term borrowings	(100,971,675)	4,574,067
<b>Net Cash flows generated from/(used in) Financing Activities(C)</b>	<b>(85,785,294)</b>	<b>47,912,521</b>
<b>Net Increase/ (Decrease) In Cash And Cash Equivalents (A+B+C)</b>	<b>79,208,695</b>	<b>(10,713,040)</b>
<b>Cash And Cash Equivalents At The Beginning of the year</b>	<b>82,474,955</b>	<b>93,187,995</b>
<b>Cash And Cash Equivalents At The End of the year</b>	<b>161,683,650</b>	<b>82,474,955</b>
<b>Components of Cash and Cash Equivalents :</b>		
Cash and Balances with Reserve Bank of India (Refer Schedule no. 6)	153,926,841	73,265,828
Balance with Banks and Money at call and short notice (Refer Schedule no. 7)*	7,756,809	9,209,127
	<b>161,683,650</b>	<b>82,474,955</b>

\*Cash and Cash Equivalents excludes lien marked Fixed Deposits of ₹ 0.64 crore (Previous Year: ₹ 0.54 crore) with original maturity of more than three months & amount transferred to Unpaid Dividend account of ₹ 1.53 crore (Previous Year: ₹ 1.69 crore)

The accompanying notes are an integral part of these financial statements.

As per our report of even date

For and on behalf of Board of Directors

**For Bandhan Bank Limited**

**For M M NISSIM & CO LLP**

Chartered Accountants  
Firm Registration Number :  
107122W / W100672

**For SINGHI & CO**

Chartered Accountants  
Firm Registration Number :  
302049E

**Chandra Shekhar Ghosh**

Managing Director & CEO  
Kolkata  
DIN: 00342477

**Anup Kumar Sinha**

Non-Executive Chairman  
Kolkata  
DIN: 08249893

**Vijay Nautamlal Bhatt**

ACB Chairman &  
Independent Director  
Kolkata  
DIN: 00751001

**Navin Kumar Jain**

Partner  
Membership Number : 090847  
Place : Kolkata  
Date : May 17, 2024

**Ankit Dhelia**

Partner  
Membership Number : 069178  
Place : Kolkata  
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**Ratan Kumar Kesh**

Executive Director & COO  
Kolkata  
DIN: 10082714

**Rajinder Kumar Babbar**

Executive Director & CBO  
Kolkata  
DIN: 10540386

**Rajeev Mantri**

Chief Financial Officer  
Kolkata

**Indranil Banerjee**

Company Secretary  
Kolkata

# Schedules

forming part of the Balance sheet as at March 31, 2024

## Schedule 1 - Capital

(₹ in '000)

	As at March 31, 2024	As at March 31, 2023
<b>Authorized Capital</b>		
3,200,000,000 (Previous Year: 3,200,000,000) equity shares of ₹ 10/- each	32,000,000	32,000,000
<b>Issued, subscribed and fully paid-up capital</b>		
1,610,969,748 (Previous Year: 1,610,836,480) Equity Share of ₹ 10/- each	16,109,697	16,108,365
<b>Total</b>	<b>16,109,697</b>	<b>16,108,365</b>

## Schedule 1A - Employees stock options outstanding

(₹ in '000)

	As at March 31, 2024	As at March 31, 2023
Opening Balance	119,456	52,395
Additions during the Year <sup>1</sup>	351,537	67,061
Deduction during the Year <sup>2</sup>	(29,094)	-
<b>Total</b>	<b>441,899</b>	<b>119,456</b>

1. Represents cost of stock options recognised during the year.

2. Represents amount transferred to General Reserve on lapses of employee stock options during the year.

## Schedule 2 - Reserves & Surplus

(₹ in '000)

	As at March 31, 2024	As at March 31, 2023
<b>I. Statutory Reserve</b>		
Opening Balance	30,586,153	25,099,557
Additions during the Year	5,573,906	5,486,596
Deduction during the Year	-	-
<b>Total</b>	<b>36,160,059</b>	<b>30,586,153</b>
<b>II. Statutory Reserve U/S 36(1)(VIII) OF Income Tax Act 1961</b>		
Opening Balance	10,403,270	8,711,235
Additions during the Year	984,116	1,692,035
Deduction during the Year	-	-
<b>Total</b>	<b>11,387,386</b>	<b>10,403,270</b>
<b>III. Capital Reserve</b>		
Opening Balance	6,477,851	6,460,447
Additions during the Year <sup>1</sup>	41,836	17,404
Deduction during the Year	-	-
<b>Total</b>	<b>6,519,687</b>	<b>6,477,851</b>
<b>IV. Share Premium Account</b>		
Opening Balance	54,187,887	54,172,016
Additions during the Year <sup>4</sup>	22,656	15,871
Deduction during the Year	-	-
<b>Total</b>	<b>54,210,543</b>	<b>54,187,887</b>

# Schedules

forming part of the Balance sheet as at March 31, 2024

## Schedule 2 - Reserves & Surplus

(₹ in '000)

	As at March 31, 2024	As at March 31, 2023
<b>V. Investment Fluctuation Reserve</b>		
Opening Balance	2,124,881	1,812,993
Additions during the Year	-	311,888
Deduction during the Year	(506,799)	-
<b>Total</b>	<b>1,618,082</b>	<b>2,124,881</b>
<b>VI. Investment Reserve</b>		
Opening Balance	304,024	304,024
Additions during the Year <sup>2</sup>	1,532,773	-
Deduction during the Year	-	-
<b>Total</b>	<b>1,836,797</b>	<b>304,024</b>
<b>VII. Additional Reserve<sup>3</sup></b>		
Opening Balance	277,389	277,389
Additions during the Year	-	-
Deduction during the Year	-	-
<b>Total</b>	<b>277,389</b>	<b>277,389</b>
<b>VIII. General Reserve</b>		
Opening Balance	714,436	714,436
Additions during the Year <sup>5</sup>	29,094	-
Deduction during the Year	-	-
<b>Total</b>	<b>743,530</b>	<b>714,436</b>
<b>IX. Balance in Profit and Loss Account</b>	<b>86,791,311</b>	<b>74,537,813</b>
<b>GRAND TOTAL (I+II+III+IV+V+VI+VII+VIII+IX)</b>	<b>199,544,784</b>	<b>179,613,704</b>

1. Appropriations made for profit on sale of investments in held to maturity category, net of taxes and transfer to Statutory reserve.
2. Appropriations made for reversal of excess provision for depreciation in "Available for Sale" & "Held for Trading" categories, net of taxes and transfer to Statutory reserve.
3. Additional Reserve represents reserve created in terms of section 29C of the National Housing Bank Act, 1987 out of the distributable profits by erstwhile Gruh Finance Limited, which have been carried forward in accordance with the terms of the Merger scheme.
4. Includes NIL (Previous Year: ₹ 0.39 crore) related to Employees stock option plan exercised in earlier years.
5. Includes amount transferred from Employee Stock Options outstanding to general reserve on lapses of employee stock options during the period.



# Schedules

forming part of the Balance sheet as at March 31, 2024

## Schedule 3 - Deposits

(₹ in '000)

	As at March 31, 2024	As at March 31, 2023
A. I. Demand Deposits		
i) From Banks	17,072,419	2,885,980
ii) From Others	79,573,092	61,238,345
II. Savings Bank Deposits	404,861,528	360,381,016
III. Term Deposits		
i) From Banks	208,942,812	193,950,945
ii) From Others	641,570,011	462,190,619
<b>Total</b>	<b>1,352,019,862</b>	<b>1,080,646,905</b>
B. I. Deposits of branches in India	1,352,019,862	1,080,646,905
II. Deposits of branches outside India	-	-
<b>Total</b>	<b>1,352,019,862</b>	<b>1,080,646,905</b>

## Schedule 4 - Borrowings

(₹ in '000)

	As at March 31, 2024	As at March 31, 2023
I. Borrowings in India		
i) Reserve Bank of India	-	-
ii) Other banks	26,597,580	10,000,000
iii) Other Institutions & agencies <sup>1</sup>	91,661,935	237,108,226
II. Borrowings outside India	45,455,725	-
<b>Total</b>	<b>163,715,240</b>	<b>247,108,226</b>
Secured borrowings included in (I&II) above	750,000	45,574,615

1 Includes borrowings made under refinance.

## Schedule 5 - Other Liabilities and Provisions

(₹ in '000)

	As at March 31, 2024	As at March 31, 2023
I. Bills Payable	8,144,551	3,077,567
II. Inter-office Adjustments(Net)	-	-
III. Interest accrued	2,791,124	1,195,556
IV. Contingent Provision against Standard Assets (refer Note 18.6(I))	10,106,627	10,097,847
V. Provision for Income Tax (Net of Advance tax and Tax deducted at source)	1,494,537	2,681,530
VI. Others	24,048,269	19,721,770
<b>Total</b>	<b>46,585,108</b>	<b>36,774,270</b>

# Schedules

forming part of the Balance sheet as at March 31, 2024

## Schedule 6 - Cash and Balances with Reserve Bank of India

(₹ in '000)

	As at March 31, 2024	As at March 31, 2023
I. Cash In hand (including foreign currency notes)	14,452,702	12,223,863
II. Balance with Reserve Bank of India		
i) In Current Account	49,474,139	45,041,966
ii) In Other Accounts <sup>1</sup>	90,000,000	16,000,000
<b>Total</b>	<b>153,926,841</b>	<b>73,265,829</b>

1. Represents Standing Deposit Facility (SDF)

## Schedule 7 - Balances with Banks and Money at call and short notice

(₹ in '000)

	As at March 31, 2024	As at March 31, 2023
I. In India		
i) Balance with Banks		
a) In Current Account	7,639,914	9,117,395
b) In Other Deposit Accounts	6,354	5,399
ii) Money at call & short notice		
a) With banks	-	-
b) With other institutions	-	-
<b>Total</b>	<b>7,646,268</b>	<b>9,122,794</b>
II. Outside India		
a) In Current Account	132,152	108,616
b) In Other Deposit Accounts	-	-
c) Money at call & short notice	-	-
<b>Total</b>	<b>132,152</b>	<b>108,616</b>
<b>GRAND TOTAL (I+II)</b>	<b>7,778,420</b>	<b>9,231,410</b>

# Schedules

forming part of the Balance sheet as at March 31, 2024

## Schedule 8 - Investments

(₹ in '000)

	As at March 31, 2024	As at March 31, 2023
<b>I.</b> Investment in India in		
i) Government Securities	285,775,418	314,828,973
ii) Other Approved Securities	-	-
iii) Shares	2,252,015	3,095,865
iv) Debentures & Bonds	2,606,239	3,552,617
v) Subsidiaries and /or joint ventures	-	-
vi) Others (Mutual Fund units, Certificate of Deposits, Security Receipts and Pass Through certificates)	7,649,158	10,319,551
<b>Total</b>	<b>298,282,830</b>	<b>331,797,006</b>
Less- Provision for Depreciation on Investment	(5,407,046)	(8,138,088)
<b>Total</b>	<b>292,875,784</b>	<b>323,658,918</b>
<b>II.</b> Investments outside India	-	-
<b>Total</b>	-	-
<b>GRAND TOTAL (I+II)</b>	<b>292,875,784</b>	<b>323,658,918</b>

## Schedule 9 - Advances (Net of Provisions)

(₹ in '000)

	As at March 31, 2024	As at March 31, 2023
<b>A.</b> i) Bills Purchased & Discounted	-	-
ii) Cash credits, overdrafts and loans repayable on demand	228,446,837	220,486,362
iii) Term loans *	982,920,996	827,081,329
<b>Total</b>	<b>1,211,367,833</b>	<b>1,047,567,691</b>
<b>B.</b> i) Secured by tangible assets (Including Advances against fixed deposits and book debts)	514,994,976	450,023,926
ii) Covered by Bank/Government Guarantees	1,865,233	10,860,945
iii) Unsecured	694,507,624	586,682,820
<b>Total</b>	<b>1,211,367,833</b>	<b>1,047,567,691</b>
<b>C.</b> I) Advances in India		
i) Priority Sector	586,345,580	526,806,232
ii) Public Sector	-	-
iii) Banks	2,000,908	23,151,167
iv) Others	623,021,345	497,610,292
<b>Total</b>	<b>1,211,367,833</b>	<b>1,047,567,691</b>
II) Advances Outside India	-	-
<b>Total</b>	-	-
<b>GRAND TOTAL</b>	<b>1,211,367,833</b>	<b>1,047,567,691</b>

\* Including loans outstanding under Inter bank participation certificate ₹ 2,606.63 crore (Previous Year: ₹ 2,153.77 crore)

The total amount received from Credit Guarantee Fund for Micro Units (CGFMU) & Emergency Credit Line Guarantee Scheme (ECLGS) is ₹ NIL (Previous Year- ₹ 916.61 crore) & ₹ 136.82 crore (Previous Year- ₹ 24.31 crore) respectively.

The above Net Advances includes Provision made against amount received (net) from CGFMU & ECLGS held pending adjustment is ₹ NIL (Previous Year- ₹ 717.05 crore) & ₹ 145.55 crore (Previous Year- ₹ NIL) respectively

# Schedules

forming part of the Balance sheet as at March 31, 2024

## Schedule 10 - Fixed Assets

(₹ in '000)

	As at March 31, 2024	As at March 31, 2023
<b>I) Premises</b>		
<b>Gross Block</b>		
At cost as at March 31, of the preceding year	1,677,164	1,537,625
Addition during the Year	1,475,126	139,539
Deduction during the Year	-	-
<b>Total</b>	<b>3,152,290</b>	<b>1,677,164</b>
<b>Depreciation</b>		
As at the beginning of the Year	107,310	85,479
Charge for the year	27,852	21,831
Deduction during the Year	-	-
<b>Depreciation to date</b>	<b>135,162</b>	<b>107,310</b>
<b>Net Block</b>	<b>3,017,128</b>	<b>1,569,854</b>
<b>II) Other Fixed Assets (Including Furniture &amp; Fixture)</b>		
<b>Gross Block</b>		
At cost as at March 31, of the preceding year	9,948,257	8,015,308
Addition during the Year *	5,412,295	2,257,589
Deduction during the Year	(49,788)	(324,640)
<b>Total</b>	<b>15,310,764</b>	<b>9,948,257</b>
<b>Depreciation</b>		
As at the beginning of the Year	6,428,960	5,321,628
Charge for the year	2,347,904	1,404,625
Deduction during the Year	(39,679)	(297,293)
<b>Depreciation to date</b>	<b>8,737,185</b>	<b>6,428,960</b>
<b>Net Block</b>	<b>6,573,579</b>	<b>3,519,297</b>
<b>III) Capital Work-in-progress (including capital advances)</b>	<b>2,143,556</b>	<b>3,456,755</b>
<b>GRAND TOTAL (I+II+III)</b>	<b>11,734,263</b>	<b>8,545,906</b>

\*Additions during the year ended March 31, 2024 includes Intangible Assets amounting to ₹ 155.45 crore (Previous Year: ₹ 42.10 crore) for Flexcube CBS and the same is amortised over the period of three years as per Bank's accounting policy

## Schedule 11 - Other Assets

(₹ in '000)

	As at March 31, 2024	As at March 31, 2023
I) Inter Office adjustment (Net)	7	1,671
II) Interest Accrued	14,370,151	9,672,082
III) Advance Income Tax (Net of Provision)	7,198,992	3,105,803
IV) Stationery and stamps	-	-
V) Non banking assets acquired in satisfaction of claims (Net of Provision)	333,343	500,674
VI) Others *	78,830,956	84,820,942
<b>Total</b>	<b>100,733,449</b>	<b>98,101,172</b>

\* Includes Deferred Tax Assets of ₹ 995.60 crore (Previous Year: ₹ 1,113.08 crore ) (Refer Note. 18.13)

\* Includes Deposits in Rural Infrastructure and Development Fund amounting to ₹ 6,244.61 crore (Previous Year: ₹ 6,797.36 crore)

# Schedules

forming part of the Balance sheet as at March 31, 2024

## Schedule 12 - Contingent liabilities

(₹ in '000)

	As at March 31, 2024	As at March 31, 2023
I) Claims against the Bank not acknowledged as debts	997,273	2,011,773
II) Liability for partly paid investments	-	-
III) Liability on account of outstanding forward exchange contracts	71,154,315	66,123,053
IV) Guarantees given on behalf of constituents		
(a) In India	13,180,405	9,352,101
(b) Outside India	-	-
V) Acceptances, endorsements and other obligations	3,981,088	2,639,602
VII) Other items (including Capital Commitments)	2,831,365	2,648,112
<b>Total</b>	<b>92,144,446</b>	<b>82,774,641</b>

## Schedule 13 - Interest Earned

(₹ in '000)

	Year ended March 31, 2024	Year ended March 31, 2023
I) Interest/discount on advances/bills	165,062,039	137,751,578
II) Income on investments	20,135,681	18,863,036
III) Interest on balances with Reserve Bank of India and other inter-bank funds	778,136	693,675
IV) Others (Includes gain on IBPC)	2,720,326	1,738,707
<b>Total</b>	<b>188,696,182</b>	<b>159,046,996</b>

## Schedule 14 - Other Income

(₹ in '000)

	Year ended March 31, 2024	Year ended March 31, 2023
I) Commission, exchange and brokerage	17,115,838	14,704,038
II) Profit/(Loss) on sale of investments (Net)	1,354,723	740,380
III) Profit/(Loss) on revaluation of investments (Net)	2,731,048	(1,800,167)
IV) Profit/(Loss) on sale of fixed assets (Net)	1,263	(4,581)
V) Profit/(Loss) on exchange/derivative transactions (Net)	(330,622)	(24,876)
VI) Income earned by way of dividends etc. from subsidiaries/companies and/or joint venture abroad/in India	-	-
VII) Miscellaneous income	774,289	11,070,713
<b>Total</b>	<b>21,646,539</b>	<b>24,685,507</b>

## Schedule 15 - Interest Expended

(₹ in '000)

	Year ended March 31, 2024	Year ended March 31, 2023
I) Interest on deposits	72,516,466	54,536,942
II) Interest on Reserve Bank of India/Inter-bank borrowings	907,597	636,248
III) Others	12,016,043	11,277,624
<b>Total</b>	<b>85,440,106</b>	<b>66,450,814</b>

# Schedules

forming part of the Balance sheet as at March 31, 2024

## Schedule 16 - Operating Expenses

(₹ in '000)

	Year ended March 31, 2024	Year ended March 31, 2023
I) Payments to and provisions for employees	35,429,236	27,150,708
II) Rent, taxes and lighting	3,548,318	2,827,627
III) Printing and stationery	354,761	469,915
IV) Advertisement and publicity	558,025	534,023
V) Depreciation on bank's property	2,375,756	1,426,457
VI) Directors' fees, allowance and expenses (Refer Note 18.36)	65,632	58,682
VII) Auditors' fees and expenses (including branch auditors) (Refer Note 18.42)	28,427	21,862
VIII) Law charges	120,756	207,187
IX) Postage, telegrams, telephones etc	884,182	766,120
X) Repairs and maintenance	810,631	658,288
XI) Insurance	1,492,872	1,373,311
XII) Other expenditure (Refer Note 18.34)	12,839,182	10,874,014
<b>Total</b>	<b>58,507,778</b>	<b>46,368,194</b>

## Schedule 17 – Significant accounting policies forming part of the financial statements for the year ended March 31, 2024

### 1. Background

Bandhan Bank Limited (the 'Bank'), incorporated on December 23, 2014 in India, is a banking company, governed by the Banking Regulation Act, 1949.

Pursuant to the Banking license received from Reserve Bank of India on June 17, 2015, the Bank has commenced its banking operations from August 23, 2015.

### 2. Basis of preparation

The accompanying financial statements have been prepared under the historical cost convention and on the accrual basis of accounting, unless otherwise stated and comply with the requirements prescribed under the Third Schedule (Form A and Form B) of the Banking Regulation Act, 1949. The accounting and reporting policies of the Bank used in the preparation of these financial statements conform to Generally Accepted Accounting Principles in India ('Indian GAAP'), the guidelines issued by RBI from time to time, the accounting standards notified under section 133 of the Companies Act 2013, read together with the Companies (Accounting Standards) Rules, 2021 to the extent applicable and practices generally prevalent in the banking industry in India.

### 3. Use of Estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) as at the date of the financial

statements and the reported income and expenses during the reporting period. The Management believes that the estimates used in the preparation of the financial statements shall be prudent and reasonable. Any revisions to the accounting estimates are recognised prospectively in the current and future periods. Actual results could differ from estimates.

### 4. SIGNIFICANT ACCOUNTING POLICIES

#### 4.1 Revenue Recognition

Interest income is recognised in the profit and loss account on an accrual basis, except in the case of interest on non-performing assets, which is recognised as income on realisation, as per the income recognition and asset classification norms of RBI. Accrual of income shall also be suspended on certain other loans, including projects under implementation where the implementation has been significantly delayed and in the opinion of the management significant uncertainties exist as to the final financial closure and/ or date of completion of the project.

The Bank shall not charge and take to income account interest on any NPA. This will apply to Government guaranteed accounts also. However, interest on advances against Term Deposits, National Savings Certificates (NSCs), Indira Vikas Patras (IVPs), Kisan Vikas Patras (KVPs) and Life policies is taken to income account on the due date, provided adequate margin is available in the accounts.

Profit or Loss on sale of investments is recognised in the Profit and Loss Account. However, the profit on sale of investments in 'Held to Maturity' category is appropriated (net of applicable taxes and amount required to be transferred to statutory reserve) to 'Capital Reserve Account'.



# Schedules

forming part of the Balance sheet as at March 31, 2024

Income from hire purchase operations is accrued by applying the interest rate implicit on outstanding investments.

Income from leases is calculated by applying the interest rate implicit in the lease to the net investment outstanding on the lease over the primary lease period.

Income on discounted instruments is recognised over the tenure of the instrument on a straight line basis.

Interest Income on PTC and Loan purchase through assignment are recognised on a constant yield basis.

Dividend is accounted on an when the right to receive the dividend is established.

Loan processing fees is accounted for upfront when it becomes due.

Fees other than loan processing fees received as a compensation of future interest sacrifice are amortized over the remaining period of the facility.

Compromise on settlement is accounted on receipt of settlement money.

Arranger's fee is accrued proportionately where more than 75% of the total amount of finance has been arranged.

Guarantee / Letter of credit (LC) commission is recognised over the period of the guarantee / LC.

Annual/renewal fee on credit cards and debit cards is recognised upfront.

Locker Rent recognised on Straight Line Method basis over the period of Contract.

All fees from deposit accounts are accounted for as and when they are due and realised.

Income from sale of Priority Sector Lending certificate (PSLC) is recognized in the Profit & Loss Account during the quarter on an equated basis from the quarter in which the sale has occurred and the remaining amount will be recognized in the Profit & Loss Account over the remaining quarters of that financial year.

Appropriation of recovery in NPAs and prudential written off accounts:

Any recoveries in NPA accounts and prudential written off accounts will be first appropriated to fees/charges outstanding, if any, then interest outstanding and then principal outstanding except in those cases where bank has specific agreement with the borrower w.r.t appropriation of recoveries.

The sale of NPA and technically written off portfolio is accounted as per guidelines prescribed by RBI :-

- i. When the Bank sells its financial assets to Securitisation Company (SC)/Reconstruction Company (RC), the same is removed from the books.

- ii. If the sale is at a price below the net book value (NBV) (i.e., book value less provisions held), the shortfall is debited to the profit and loss account in the year of sale.

- iii. If the sale is for a value higher than the NBV, the excess provision is reversed in the year the amounts are received, as permitted by the RBI.

All other fees are accounted for as and when they become due.

## 4.2. Investments

### A) Classification

Investments are classified into three categories, viz. Held to Maturity (HTM), Available for Sale (AFS) and Held for Trading (HFT) at the time of purchase.

#### Basis of classification:

Investments that the Bank intends to hold till maturity are classified as "Held to Maturity (HTM)".

Investments that are held principally for sale within 90 days from the date of purchase are classified as "Held for Trading (HFT)".

Investments, which are not classified in any of the above two categories, are classified as "Available for Sale (AFS)" investments.

However, for disclosure in the Balance Sheet, investments in India are classified under six categories Government Securities, Other approved securities, Shares, Debentures and Bonds, Investment in Subsidiaries/ Joint Ventures and Others.

An investment is classified as HTM, HFT or AFS at the time of its purchase and subsequent shifting amongst categories is done in conformity with regulatory guidelines.

Investments in subsidiaries, joint ventures and associates shall be classified as HTM.

Investments are classified as performing or non-performing as per RBI guidelines. Non performing investments are subjected to similar income recognition and provisioning norms as prescribed by RBI for non-performing advances.

### B) Valuation

Broken period interest and costs such as brokerage paid at the time of acquisition of the security are charged to Profit and Loss account. Cost of investments is computed on weighted average cost method.

Investments marked as AFS and HFT are marked-to-market on a periodic basis as per relevant RBI guidelines. The securities are valued scrip-wise and depreciation /appreciation is aggregated for each

# Schedules

forming part of the Balance sheet as at March 31, 2024

category. Net appreciation in each category, if any, is ignored, while net depreciation is provided for. The book value of individual securities is not changed consequent to the periodic valuation of investments.

'Held to Maturity' securities shall be carried at their acquisition cost or at amortized cost if acquired at a premium over the face value. Any premium over the face value of fixed rate and floating rate securities acquired is amortized over the remaining period to maturity on a constant yield basis and straight line basis respectively. Where in the opinion of the management, a diminution, other than temporary in the value of investments classified under HTM has taken place, suitable provisions are required to be made.

Quoted investments are valued at traded/quoted price available from recognized stock exchanges, subsidiary general ledgers account transactions, price list of RBI, or prices declared by Primary Dealers Association of India ("PDAI") jointly with Financial Benchmarks India Pvt. Limited (FBIL). The market/fair value of unquoted government securities which are in the nature of statutory liquidity ratio (SLR) securities included in the 'Available for Sale' and 'Held for trading' categories is valued as per the rate published by the FBIL.

Unquoted equity shares are valued at the break-up value, if the latest Balance Sheet is available or at Re.1 as per the RBI guidelines.

Treasury bills being discounted instruments shall be valued at current cost.

The units of Mutual Funds are valued at the latest repurchase price/ net asset value declared by the Mutual Fund.

Transfer of securities between categories of investments is accounted as per the RBI Guidelines

Purchase and sale transactions in securities are recorded under settlement date of accounting, except in the case of equity shares where trade date accounting is followed.

Repurchase ('repo') and reverse repurchase ('reverse repo') transactions including liquidity adjustment facility (with RBI) are accounted for as borrowing and lending transactions. Accordingly, securities given as collateral under an agreement to repurchase them continue to be held under the investment account of the Bank and the Bank would continue to accrue the coupon/discount on the security during the repo period. Also, the Bank continues to value the securities sold under repo as per the investment classification of the security. The difference between the clean price of the first leg and clean price of the second leg is

recognized as interest income/expense over the period of the transaction in the profit and loss account.

## 4.3 Loans /Advances and Provisions thereon

Advances are classified into performing and non-performing advances ('NPAs') as per the RBI guidelines and Stressed Asset Management & Recovery (SAMR) policy of the bank and are stated net of specific provisions made towards NPAs. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the RBI. Provisions for NPAs are made for sub-standard and doubtful assets at rates as prescribed by the RBI.

The Bank has a policy of deferment of installments for micro (EEB) loan borrowers in case the group meetings have been suspended and the same has not been considered as overdue for the purpose of NPA classification.

Amounts recovered against debts written off in earlier years are recognised in the profit and loss account as credit to Miscellaneous Income under the head 'Other Income'

The Bank maintains general provision on standard advances as prescribed by RBI. In case of micro (EEB & SBAL) lending portfolio, general provision on standard advances will be maintained by Bank at 1% comprising 0.25% as per the minimum provisioning requirement by RBI and 0.75% as additional provision. Provision made against standard assets is included in "Other liabilities & provisions".

In case of non-performing micro (EEB & SBAL) lending portfolio, where 30 days have elapsed from the completion of loan tenure, the Bank is making 100% provision.

Non-performing loans, which have been fully provided for, are written off when the prospect of recovery is considered remote as per the management estimate in compliance with the stressed assets management and recovery policy of the Bank.

Restructured assets are classified and provided for in accordance with the guidelines issued by RBI from time to time.

For entities with Unhedged Foreign Currency Exposure ('UFCE'), provision is made in accordance with the guidelines issued by RBI, which requires to ascertain the amount of UFCE, estimate the extent of likely loss and estimate the riskiness of unhedged position. This provision is classified under Schedule 5 – Other Liabilities in the Balance Sheet.

Further, Incremental capital is maintained in respect of borrower counter parties in the highest risk category, in line with stipulations by RBI.

## 4.4 Inter Bank Participation Certificate

The Bank enters into Inter Bank Participation with risk sharing as issuing Bank and the aggregate amount of participation are reduced from the aggregate advance outstanding .

# Schedules

forming part of the Balance sheet as at March 31, 2024

Gain on IBPC is the excess of income earned on the participation pool and interest paid to the issuing Bank and is recognised on accrual basis.

## 4.5 Tangible Assets

All tangible fixed assets are stated at historical cost less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Asset under development as at the balance sheet date are shown as Capital Work in Progress. Advance paid towards such development are shown as capital advance.

Any subsequent expenses is capitalised only when it increases the future economic benefit / functioning capability.

## 4.6 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any.

## 4.7 Depreciation and Amortisation

Depreciation is charged over the estimated useful life of a fixed asset on a straight-line basis. The useful lives of the groups of fixed assets are given below:

Asset	Useful life in years
Leasehold Land	99
Building	60
Improvements to leasehold premises	3
Furniture & Fixtures Interior	3
Furniture & Fixtures Modular	5
Furniture & Fixtures Others	10
Office equipments (including air conditioners)	5
Motor vehicles	4
Computers	3
Electrical Installation and Equipment	10
Software/ Intangible Assets	3
Computer Networking/Server	6

Items costing less than ₹ 5,000/- shall be fully depreciated in the year of purchase.

Assets purchased and sold during the year shall be depreciated on the basis of actual number of days the asset has been put to use.

In case of revision in the estimated useful life of assets any unamortized depreciation shall be amortised over the remaining useful life of the assets.

## 4.8 Impairment

The carrying amounts of assets are reviewed at each balance sheet date to determine 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 which is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessment 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 its remaining useful life.

## 4.9 Foreign Currency transactions

All transactions in foreign currency are recognised at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities in foreign currency are translated at the Balance Sheet date at the closing rates of exchange notified by the Foreign Exchange Dealers' Association of India ('FEDAI') and the resulting gains or losses are recognised in the Profit and Loss account.

Non-monetary items which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction. Non-monetary items, which are measured at fair value or others similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Foreign currency income and expenditure items of domestic operations are translated at the exchange rates prevailing on the date of the transaction.

Foreign exchange spot and forward contracts outstanding as at the Balance Sheet date and held for trading, are revalued at the closing spot and forward rates respectively as notified by FEDAI and at interpolated rates for contracts of interim maturities.

Contingent liabilities at the Balance Sheet date on account of outstanding forward foreign exchange contracts, guarantees, acceptances, endorsements and other obligations denominated in a foreign currency are stated at the closing rates of exchange notified by the FEDAI.

## 4.10 Employee Stock Option Scheme (ESOS)

In case of Employee stock option plan, measurement and disclosure of the employee share based payment plans is done in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The cost of equity-settled transactions is measured using the intrinsic value method and recognised, together with a corresponding increase in the 'Stock options outstanding account' in reserve. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the

# Schedules

forming part of the Balance sheet as at March 31, 2024

vesting period has expired and the Bank's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Pursuant to RBI clarification dated August 30, 2021, the cost of stock options granted after March 31, 2021 to Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff is recognised based on fair value method. The cost of stock options granted up to March 31, 2021 continues to be recognised on intrinsic value method. The Bank uses Black-Scholes model to fair value the options on the grant date and the inputs used in the valuation model include assumptions such as the expected life of the share option, volatility, risk free rate and dividend yield.

ESOP cost is recognised in Profit and Loss Statement on the basis of number of days of vesting period.

## 4.11 Retirement and employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Bank has no obligation, other than the contribution payable to the provident fund. The Bank recognises contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

The Bank provides for compensated absences based on actuarial valuation conducted by an independent actuary.

Actuarial gains/losses are immediately taken to the profit and loss account and are not deferred.

## 4.12 Income Taxes

Tax expenses comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 and in compliance with AS 22 "Accounting for Taxation Income". Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

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 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. If the Bank has carried forward unabsorbed depreciation and tax losses, all deferred tax assets is recognised only to the extent that there is a virtual certainty supported by convincing evidence that sufficient taxable income will be available in future against which such deferred tax assets can be realised.

At each reporting date, the Bank re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets 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.

Deferred Tax liability is created on amount transferred to special reserve under section 36(i)(viii) of the Income Tax Act, 1961 as per the RBI guidelines.

The carrying amounts of deferred tax assets are reviewed at each balance sheet date. The Bank writes down the carrying amount of deferred tax assets to the extent that it is no longer reasonably certain or virtually certain as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available.

## 4.13 Non-banking assets

Non-banking assets (NBAs) acquired in satisfaction of claims are valued at the market value on a distress sale basis or value of loan, whichever is lower. Further, the Bank creates provision on these assets as per the extant RBI guidelines or specific RBI directions.

## 4.14 Earnings per Share

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

Diluted earnings per share reflect the potential dilution that could occur if contracts to issue equity shares were exercised or converted during the year. Diluted earnings per equity share is computed using the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## 4.15 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the Bank has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each

# Schedules

forming part of the Balance sheet as at March 31, 2024

reporting date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Bank or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Bank does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent Assets are not recognised in the financial statements.

## 4.16 Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items 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.

## 4.17 Cash and Cash equivalent

Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice.

## 4.18 Share Issue Expenses

Share issue expenses are adjusted against the Securities Premium Account in terms of Section 52(2) of the Companies Act, 2013.

## Schedules

forming part of the Balance sheet as at March 31, 2024

### Schedule 18 -Notes to accounts forming part of the financial statements for the year ended March 31, 2024

The following disclosures have been made taking into account the requirements of Accounting Standards (ASs) and Reserve Bank of India (RBI) guidelines in this regard.

#### 18.1 "Provisions & Contingencies" recognised in the Profit & Loss Account comprise:

(₹ in crore)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>Provision for Income Tax</b>		
- Current Tax	601.07	589.74
- Deferred tax	122.42	108.60
- Income tax / Deferred Tax (previous years)	(10.14)	-
<b>Total Tax Expenses</b>	<b>713.35</b>	<b>698.34</b>
Provision for Standard assets	107.40	(1,330.20)
Provision for non-performing assets [Includes bad debts written off ₹ 3,852.49 crore (Previous Year: ₹ 6,071.78 crore)]	3,576.79	6,555.91
Provision for restructured assets	(106.52)	(1,041.63)
Provision for unhedged foreign currency exposure	4.20	6.64
Provision for country risk	-	-
Provision for One time Settlement	78.16	14.80
Provision for other contingencies	36.54	(7.15)
<b>Total</b>	<b>4,409.92</b>	<b>4,896.71</b>

**Note** -The Bank has assessed its obligations arising in the normal course of business, including pending litigations, proceedings pending with tax authorities and other contracts including derivative and long term contracts. In accordance with the provisions of AS 29 on 'Provisions, Contingent Liabilities and Contingent Assets', the Bank recognises a provision for material foreseeable losses when it has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. In cases where the available information indicates that the loss on the contingency is reasonably possible or the amount of loss cannot be reasonably estimated, a disclosure to this effect is made as contingent liabilities in the financial statements. The Bank does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

The following table sets forth, for the periods indicated, the movement in provision for legal and fraud cases, operational risk and other contingencies.

(₹ in crore)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Legal	Other Contingencies	Legal	Other Contingencies
Opening Provisions	0.83	41.91	0.35	49.54
Movement during the year (net)	2.01	34.53	0.48	(7.63)
Less- Adjusted during the year	-	(0.12)	-	-
<b>Closing Provisions</b>	<b>2.84</b>	<b>76.32</b>	<b>0.83</b>	<b>41.91</b>

#### 18.2 Capital

During the year ended March 31, 2024, the Bank has allotted 133,268 Equity Shares (Previous Year- 70,613) of ₹ 10/-each in respect of stock option exercised aggregating to ₹ 2.40 crore (Previous Year- ₹ 1.27 crore) . Accordingly, share capital increased by ₹ 0.13 crore (Previous Year- ₹ 0.07 crore) and share premium increased by ₹ 2.27 crore (Previous Year- ₹ 1.20 crore) respectively.

#### Details of movement in the paid-up equity share capital of the Bank are given below:

(₹ in crore)

Particulars	As at March 31, 2024	As at March 31, 2023
At the beginning of the year	1,610.84	1,610.77
Addition pursuant to share issued during the year	0.13	0.07
<b>Outstanding at the end of the year</b>	<b>1,610.97</b>	<b>1,610.84</b>



# Schedules

forming part of the Balance sheet as at March 31, 2024

## 18.3 Proposed dividend

The Board of Directors at its meeting held on May 17, 2024, has proposed a dividend of ₹ 1.50 per share (Previous Year- ₹ 1.50 per share) for the year ended March 31, 2024 subject to approval of the members at the ensuing Annual General Meeting. In terms of revised Accounting Standard (AS) 4 'Contingencies and Events occurring after the Balance sheet date as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Rules, 2021, the Bank has not accounted for proposed dividend aggregating to ₹ 241.65 crore (previous year: ₹ 241.63 crore ) as a liability for the year ended March 31, 2024. Effect of the proposed dividend has been reckoned in determining capital funds in the computation of capital adequacy ratios as at March 31, 2024 and March 31, 2023.

## 18.4 Regulatory Capital

### A) Composition of Regulatory Capital

The Bank is subject to the Basel III capital adequacy guidelines stipulated by RBI with effect from the date of incorporation. As per the guidelines, the Tier-1 capital is made up of Common Equity Tier-1 (CET1) and Additional Tier-1.

The following table sets forth, for the periods indicated, computation of capital adequacy as per Basel III framework.

(₹ in crore)

Particulars	As at March 31, 2024	As at March 31, 2023
i) Common Equity Tier 1 capital (CET 1)	20,768.38	19,019.70
ii) Additional Tier 1 capital	-	-
iii) Tier 1 capital (i + ii)	20,768.38	19,019.70
iv) Tier 2 capital	1,286.07	1,071.88
v) Total capital (Tier 1+Tier 2)	22,054.45	20,091.58
vi) Total Risk Weighted Assets (RWAs)	120,683.93	101,697.20
vii) CET 1 Ratio	17.21	18.70
viii) Tier 1 Ratio	17.21	18.70
ix) Tier 2 Ratio	1.07	1.06
x) Capital to Risk Weighted Assets Ratio (CRAR)	18.28	19.76
xi) Leverage Ratio	11.47%	12.06%
xii) Percentage of the shareholding of Government of India	NIL	NIL
xiii) Amount of paid-up equity capital raised during the year <sup>#</sup>	-	-
xiv) Amount of non-equity Tier 1 capital raised during the year <sup>*</sup>	-	-
xv) Amount of Tier 2 capital raised during the year <sup>*</sup>	-	-

# An amount of ₹ 2.40 crore raised pursuant to exercise of employee stock options during the year ended March 31, 2024 (year ended March 31, 2023: ₹ 1.27 crore)

\* The Bank has not raised (March 31, 2023: Nil) perpetual debt capital instruments qualifying for Additional Tier-1 capital and subordinated debt qualifying for Tier-2 capital (March 31, 2022: Nil).

In accordance with the RBI guidelines, banks are required to make consolidated Pillar 3 and Net Stable Funding Ratio (NSFR) disclosures under the Basel III Framework. These disclosures are available on the Bank's website at the following link: <https://www.bandhanbank.com/regulatory-disclosures>. The disclosures have not been subjected to audit by the statutory auditors of the Bank.

### B) Draw Down from Reserve

There has been no draw down from reserves during the year ended March 31, 2024 and March 31, 2023.

# Schedules

forming part of the Balance sheet as at March 31, 2024

## 18.5 (A) Investments

i) Composition of Investment Portfolio as at March 31, 2024

Particulars	Investments in India						Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares @	Debentures and Bonds	Subsidiaries and/or joint ventures	Others #	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	
<b>Held to Maturity</b>											
Gross	21,737.87	-	-	-	-	-	21,737.87	-	-	-	21,737.87
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-
<b>Net</b>	<b>21,737.87</b>	-	-	-	-	-	<b>21,737.87</b>	-	-	-	<b>21,737.87</b>
<b>Available for Sale</b>											
Gross	6,160.37	-	225.20	260.62	-	764.92	7,411.11	-	-	-	7,411.11
Less: Provision for depreciation and NPI	57.20	-	-	-	-	483.50	540.70	-	-	-	540.70
<b>Net</b>	<b>6,103.17</b>	-	<b>225.20</b>	<b>260.62</b>	-	<b>281.42</b>	<b>6,870.41</b>	-	-	-	<b>6,870.41</b>
<b>Held for Trading</b>											
Gross	679.30	-	-	-	-	-	679.30	-	-	-	679.30
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-
<b>Net</b>	<b>679.30</b>	-	-	-	-	-	<b>679.30</b>	-	-	-	<b>679.30</b>
<b>Total Investments</b>	<b>28,577.54</b>	-	<b>225.20</b>	<b>260.62</b>	-	<b>764.92</b>	<b>29,828.28</b>	-	-	-	<b>29,828.28</b>
Less: Provision for non-performing investments	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	57.20	-	-	-	-	483.50	540.70	-	-	-	540.70
<b>Net</b>	<b>28,520.34</b>	-	<b>225.20</b>	<b>260.62</b>	-	<b>281.42</b>	<b>29,287.58</b>	-	-	-	<b>29,287.58</b>

# Other Investments include investments in Alternative Investment Fund (AIF), Commercial paper (CP), Security Receipts (SR) and Pass through Certificate (PTC).

@ Shares include investment in both quoted & unquoted Equity and Preference Shares

# Schedules

forming part of the Balance sheet as at March 31, 2024

## ii) Composition of Investment Portfolio as at March 31, 2023

Particulars	Investments in India						Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares @	Debentures and Bonds	Subsidiaries and/or joint ventures	Others #	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	
<b>Held to Maturity</b>											
Gross	22,555.29	-	-	-	-	-	22,555.29	-	-	-	-
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-
<b>Net</b>	<b>22,555.29</b>	-	-	-	-	-	<b>22,555.29</b>	-	-	-	-
<b>Available for Sale</b>											
Gross	8,603.18	-	309.59	305.35	-	1,031.96	10,250.08	-	-	-	-
Less: Provision for depreciation and NPI	75.20	-	-	1.80	-	736.81	813.81	-	-	-	-
<b>Net</b>	<b>8,527.98</b>	-	<b>309.59</b>	<b>303.55</b>	-	<b>295.15</b>	<b>9,436.27</b>	-	-	-	-
<b>Held for Trading</b>											
Gross	324.42	-	-	49.91	-	-	374.33	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-
<b>Net</b>	<b>324.42</b>	-	-	<b>49.91</b>	-	-	<b>374.33</b>	-	-	-	-
<b>Total Investments</b>	<b>31,482.89</b>	-	<b>309.59</b>	<b>355.26</b>	-	<b>1,031.96</b>	<b>33,179.70</b>	-	-	-	-
Less: Provision for non-performing investments	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	75.20	-	-	1.80	-	736.81	813.81	-	-	-	-
<b>Net</b>	<b>31,407.69</b>	-	<b>309.59</b>	<b>353.46</b>	-	<b>295.15</b>	<b>32,365.89</b>	-	-	-	-

# Other Investments include investments in Alternative Investment Fund (AIF), Commercial paper (CP), Security Receipts (SR) and Pass through Certificate (PTC).

@ Shares include investment in both quoted & unquoted Equity and Preference Shares

## Schedules

forming part of the Balance sheet as at March 31, 2024

### 18.5 (B) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(₹ in crore)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>i) Movement of provisions held towards depreciation on investments</b>		
a) Opening balance	813.81	41.84
b) Add: Provisions made during the year	3,489.61	1,568.22
c) Less: Write off / write back of excess provisions during the year	(3,762.72)	(796.25)
d) Closing balance	540.70	813.81
<b>ii) Movement of Investment Fluctuation Reserve</b>		
a) Opening balance	212.49	181.30
b) Add: Amount transferred during the year	(50.68)	31.19
c) Less: Drawdown	-	-
d) Closing balance	161.81	212.49
<b>iii) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category</b>	2%	2%

### C) Sale and transfers of Securities to / from HTM Category

During the year ended March 31, 2024 and the previous year ended March 31, 2023 the Bank has not sold and transferred securities to or from HTM category exceeding 5% of the book value of investment held in HTM category at the beginning of the year. The 5% threshold referred to above does not include onetime transfer of securities to/from HTM category with the approval of Board of Directors permitted to be undertaken by banks as per 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.

### D) Repo Transactions

(₹ in crore)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as at March 31, 2024
Securities sold under Repo*				
i. Government securities	-	1,278.00	34.62	-
	-	(3,078.00)	(162.10)	-
ii. Corporate debt securities	-	-	-	-
	-	-	-	-
iii. Any Other Securities	-	-	-	-
	-	-	-	-
Securities purchased under reverse repo*				
i. Government securities	-	1,500.00	64.89	-
	-	(7,475.00)	(522.56)	-
ii. Corporate debt securities	-	-	-	-
	-	-	-	-
iii. Any Other Securities	-	-	-	-
	-	-	-	-

Previous year figures are shown in"()".

\*Amount reported are based on lending\borrowing amount under LAF/MSF

# Schedules

forming part of the Balance sheet as at March 31, 2024

## E) Non SLR Investment Portfolio

### i) Issuer composition of Non SLR investments

(₹ in crore)

Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
	(2)	(3)	(4)	(5)	(6)
(i) Public Sector Units	69.91	-	-	-	-
	(149.29)	-	-	-	-
(ii) Financial Institutions	190.71	-	-	-	-
	(150.97)	-	-	-	-
(iii) Banks	344.56	220.00	-	-	-
	(251.00)	(251.00)	-	-	-
(iv) Private Corporates #	492.21	487.21	-	-	-
	(800.36)	(795.36)	-	-	(10.00)
(v) Subsidiaries / Joint Ventures	-	-	-	-	-
	-	-	-	-	-
(vi) Others	153.35	153.35	-	5.92	-
	(345.18)	(316.80)	-	(3.70)	-
(vii) Provision held towards depreciation	483.50	-	-	-	-
	(738.60)	-	-	-	-
<b>Total</b>	<b>767.24</b>	<b>860.56</b>	<b>-</b>	<b>5.92</b>	<b>-</b>
	<b>(958.20)</b>	<b>(1,363.16)</b>	<b>-</b>	<b>(3.70)</b>	<b>(10.00)</b>

Amounts reported under columns (3), (4), (5) and (6) above are not mutually exclusive.

Discounted instruments are reported at carrying cost

Previous year figures are shown in"()".

# Includes Security receipts

### ii) Non performing Non-SLR investments

The following table sets forth, for the periods indicated, the movement in gross non-performing investments in securities, other than government and other approved securities.

(₹ in crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	-	-
Additions during the year #	0.00	-
Reduction during the year	-	-
<b>Closing balance</b>	<b>0.00</b>	<b>-</b>
<b>Total provision held</b>	<b>0.00</b>	<b>-</b>

# Denotes less than ₹ 10,000

GRUH was merged with and into Bandhan Bank Limited. At the time of merger of GRUH with the Bank, GRUH had a private provident fund trust, viz., Gruh Employees Provident Fund Trust, for its employees. Post-merger, GRUH had to transfer the balance in Gruh Employees Provident Fund Trust to EPFO, since the Bank had its PF managed by EPFO instead of Private Provident Fund Trust, some of the securities of IL&FS Limited and IL&FS Transportation Networks Ltd could not be liquidated and the EPFO was paid by the Bank the face value of the securities as the Non-Performing Investments ('NPI') bonds could not be liquidated. These securities were Non-Performing Investments, having zero value, with face value of the three securities being ₹ 2.20 crore, in lieu of which, the amount had been paid to EPFO. The face value of the three securities transferred was ₹ 2.20 crore, these NPI securities were transferred to the books of the Bank at Re. 1 each, thereby totalling ₹ 3 only and increasing the NPI by ₹ 3 only.

## Schedules

forming part of the Balance sheet as at March 31, 2024

### F) Securities kept as Margin

(₹ in crore)

SI No	Particulars	As at March 31, 2024	As at March 31, 2023
i)	Securities kept as margin with Clearing Corporation of India towards:		
	Collateral and funds management – Securities segment	400.00	300.00
	Collateral and funds management –Tri-party Repo	3,650.00	8,710.00
	Default fund – Forex Forward segment	5.00	5.00
	Default fund – Forex Settlement segment	5.00	5.00
	Default fund – Rupee Derivatives (Guaranteed Settlement) segment	-	-
	Default fund – Securities segment	15.00	15.00
	Default fund –Tri-party repo segment	8.00	8.00
ii)	Securities kept as margin with the RBI towards:		
	Real Time Gross Settlement (RTGS)	3,250.00	1,250.00
	Repo transactions	3,950.00	4,300.00
iii)	Securities kept as margin with National Securities Clearing Corporation of India (NSCCIL) towards NSE Currency Derivatives segment.	-	-
iv)	Securities kept as margin with Indian Clearing Corporation Limited towards BSE Currency Derivatives segment.	-	-
v)	Securities kept as margin with National Securities Clearing Corporation of India (NSCCIL) towards Capital market.	5.00	-

### G) Government Security Lending

The bank has not entered in any Government Security Lending transactions for the year ended March 31, 2024 and March 31, 2023.



# Schedules

forming part of the Balance sheet as at March 31, 2024

## 18.6 Asset Quality

### A) Classification of Advances and Provisions held

(₹ in crore)

Particulars	Standard		Non -Performing			Total
	Total Standard Advances	Sub- standard	Doubtful	Loss	Total Non - Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	103,528.50	1,531.88	559.74	3,207.00	5,298.62	108,827.12
	(92,410.70)	(1,746.28)	(464.81)	(4,168.91)	(6,380.00)	(98,790.70)
Add: Additions during the year					5,681.68	
					(9,662.69)	
Less: Reductions during the year*					6,195.42	
					(10,744.07)	
Closing balance	119,789.17	2,579.55	674.05	1,531.28	4,784.88	124,574.05
	(103,528.50)	(1,531.88)	(559.74)	(3,207.00)	(5,298.62)	(108,827.12)
*Reductions in Gross NPAs due to:						
i) Upgradation					1,021.48	1,021.48
					(1,493.51)	(1,493.51)
ii) Recoveries (excluding recoveries from upgraded accounts)					523.60	523.60
					(808.57)	(808.57)
iii) Technical/ Prudential Write-offs					3,852.49	3,852.49
					(6,071.78)	(6,071.78)
iv) Write-offs other than those under (iii) above					78.16	78.16
					(53.89)	(53.89)
v) Sale to ARC's					719.69	719.69
					(2,316.32)	(2,316.32)
*Provisions (excluding Floating Provisions)						
Opening balance of provisions held	1,009.78	585.39	277.96	3,207.00	4,070.35	5,080.13
	(3,381.62)	(399.48)	(247.38)	(4,168.91)	(4,815.77)	(8,197.39)
Add: Fresh provisions made during the year					5,303.25	
					(8,735.87)	
Less: Excess provision reversed/ Write-off loans					5,936.33	
					(9,481.29)	
Closing balance of provisions held	1,010.66	1,368.37	537.62	1,531.28	3,437.27	4,447.93
	(1,009.78)	(585.39)	(277.96)	(3,207.00)	(4,070.35)	(5,080.13)
Net NPAs						
Opening Balance		946.50	281.77	-	1,228.27	
		(1,346.80)	(217.43)	(0.00)	(1,564.23)	
Add: Fresh additions during the year					378.43	
					(926.82)	
Less: Reductions during the year					259.09	
				(1,262.78)		
Closing Balance		1,211.18	136.43	-	1,347.61	1,347.61
		(946.50)	(281.77)	-	(1,228.27)	(1,228.27)

Previous year figures are shown in "( )".

\*Closing balances of provision for NPAs include claims received (net) from CGFMU & ECLGS held pending adjustment is ₹ NIL (Previous Year- ₹ 717.05 crore) & ₹ 145.55 crore (Previous Year- ₹ NIL) respectively

## Schedules

forming part of the Balance sheet as at March 31, 2024

### B) Classification of Advances and Provisions Held

(₹ in crore)

Particulars	Standard	Non-Performing			Total	
	Total Standard Advances	Sub- standard	Doubtful	Loss		Total Non - Performing Advances
Floating Provisions						
Opening Balance	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Add: Additional provisions made during the year						-
						(-)
Less: Amount drawn down during the year						-
						(-)
Closing balance of floating provisions						-
						(-)
Technical write -offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts						54.35
						(5867.88)
Add: Technical/ Prudential write-offs during the year						3,852.49
						(6071.78)
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						2.93
						(374.28)
Less: Sale to ARC						-
						(11,511.03)
Closing balance						3,903.91
						(54.35)

Previous year figures are shown in "()".

# Schedules

forming part of the Balance sheet as at March 31, 2024

## C) Sector wise Advances and Gross NPA's

(₹ in crore)

Sr. No.	Sector	As at March 31, 2024			As at March 31, 2023		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A	Priority Sector*						
1	Agriculture and allied activities #	9,636.73	402.26	4.17%	8,646.56	531.09	6.14%
2	Advances to industries sector eligible as priority sector lending #	6,493.60	429.70	6.62%	5,612.03	355.77	6.34%
	Textiles	-	-	-	650.45	126.51	19.45%
3	Services	30,737.51	1,139.23	3.71%	24,279.84	638.43	2.63%
	Transport Operator	-	-	-	2,453.04	80.80	3.29%
	Retail Trade	14,716.05	219.13	1.49%	17,408.22	472.99	2.72%
4	Personal loans	13,255.70	214.34	1.62%	15,637.24	548.28	3.51%
	Housing Loans	12,761.75	208.58	1.63%	14,604.77	544.82	3.73%
Sub Total (A)		60,123.54	2,185.53	3.64%	54,175.67	2,073.57	3.83%
B	Non Priority Sector						
1	Agriculture and allied activities	490.15	27.80	5.67%	-	-	-
2	Industry sector	6,795.28	420.33	6.19%	6,269.01	717.68	11.45%
	Textiles	-	-	-	1,112.72	313.85	28.21%
	Basic Metal and Metal Products	1,003.02	11.27	1.12%	-	-	-
3	Services	38,689.77	1,712.27	4.43%	29,527.08	1,947.19	6.59%
	Retail Trade	15,014.04	827.32	5.51%	14,830.24	214.25	1.44%
	NBFCs	8,214.17	362.21	4.41%	7,034.89	1,022.81	14.54%
4	Personal loans	18,475.31	438.95	2.38%	18,855.36	560.18	2.97%
	Housing Loans	7,996.80	112.58	1.41%	8,673.93	257.31	2.97%
Sub Total (B)		64,450.51	2,599.35	4.03%	54,651.45	3,225.05	5.90%
Total (A+B)		124,574.05	4,784.88	3.84%	108,827.12	5,298.62	4.87%

Segments contributing in excess of 10% of the Sector as at March 31 of the respective years are individually listed

\*Priority sectors includes ₹ 12,750 crore (previous year : ₹ 15,175 crore), in respect of which the Bank has sold Priority Sector Lending Certificates (PSLC). During the year ended March 31, 2024, the Bank has bought PSLC amounting ₹ 13,175 crore (previous year : ₹ 6,330 crore ), which is not included in above.

#The SFMF classification is based on Self certified Land Holding declaration as per approved PSL policy of the Bank and Turnover, Investment in P&M/Equipment is based on Udyam Registration Certificates for MSME classification.

As per Board approved PSL policy of the Bank and in line with RBI Master direction, of Priority Sector Lending as updated by FIDD-RBI from time to time, the portfolio classified as Priority Sector advances for the year ended March 31, 2024 stands at ₹ 60,123.54 crore (Previous year : ₹ 54,175.67 crore).

The bank has compiled the data for the purpose of this disclosure from the internal MIS. System/reports which has been furnished by the management and has been relied upon by the auditors.

## Schedules

forming part of the Balance sheet as at March 31, 2024

### D) Ratios (in per cent)

	As at March 31, 2024	As at March 31, 2023
Gross NPA to Gross Advances	3.84%	4.87%
Net NPA to Net Advances	1.11%	1.17%
Provision coverage ratio (without Prudential write-offs)	71.84%	76.82%
Provision coverage ratio (including Prudential write-offs)	84.49%	77.05%

Note: Net NPAs are non-performing assets net of specific provisions, claims received (net) from Credit Guarantors held pending adjustment.

### E) Overseas Assets, NPAs and Revenue

The Bank does not have any overseas loan assets as on March 31, 2024 and March 31, 2023.

### F) Divergence in asset classification and provisioning

In terms of the RBI guidelines banks are required to disclose the divergence in asset classification and provisioning consequent to RBI's annual supervisory process in their notes to accounts to the financial statements, wherever the additional provisioning assessed / additional gross NPAs identified by RBI exceeds the threshold specified by RBI. The threshold for provisioning is 5 per cent (Previous year 10 per cent) of the reported profit before provisions and contingencies for the reference period and that for additional gross NPAs is 5 per cent (Previous year 10 per cent) of the published incremental Gross NPAs for the reference period.

Based on the above, there was no reportable divergence in asset classification and provisioning for NPAs for the years ended March 31, 2024 and March 31, 2023.

### G) Transfer of Loan Exposures

Details of loans transferred excluding through Inter- Bank Participation Certificate (IBPC) & acquired during the year ended March 31, 2024 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

#### i) Details of Financial Assets sold to Securitisation / Reconstruction company for Reconstruction

The details of stressed loans transferred and Investment made in Security Receipts during the Year ended March 31, 2024 to ARCs for technically written off and NPA accounts are given below:

Particulars	Value (To ARCs)
No of accounts	7,866 (2,702,211)
Aggregate principal outstanding of loans transferred (₹ in crore)	719.69 (13,827.30)
Weighted average residual tenor of the loans transferred (in years)	17.60 (0.78)
Net book value of loans transferred (at the time of transfer) (₹ in crore)	367.47 (369.73)
Aggregate consideration (₹ in crore)	289.60 (1,540.82)
Additional consideration realized in respect of accounts transferred in earlier years	- (-)
**Quantum of excess provisions reversed to Profit and Loss Account (₹ in crore)	- (-1,170.2)
*** Investment in Security Receipts (SR) (₹ in crore)	- (764.33)

Previous year figures are shown in "()".

#### Note:

\*\*The net credit to Other Income is NIL related to transactions during the year (Previous year : ₹ 433.39 crore after adjusting ₹ 144.86 crore provision for diminution on value of Investments in Security Receipts)

\*\*\* There are no fresh investment in Security Receipts during the current Financial year. The Investment in Security Receipts (SR) were not rated in previous year and current net book value is NIL (Previous year : ₹ 27.51 crore) as per RBI guidelines.

# Schedules

forming part of the Balance sheet as at March 31, 2024

## ii) Details of Non Performing Financial Assets Purchased

The Bank did not purchase any Non Performing Financial Assets during the year ended March 31, 2024 and March 31, 2023.

## iii) Details of Special Mention Account (SMA) or Stressed Financial Assets Purchased

The Bank did not purchase any Special Mention Account (SMA) or Stressed Financial Assets during the year ended March 31, 2024 and March 31, 2023.

## (iv) Details of Loan Acquired through assignment

Details of Loan not in default acquired through assignment during the year ended March 31, 2024 and March 31, 2023 are given below:

Particulars	Value
Aggregate amount of loans acquired (₹ in crore)	1,262.58
	(486.04)
Weighted average residual maturity (in years)	1.70
	(1.49)
Weighted average holding period by originator (in years)	0.51
	(0.66)
Retention of beneficial economic interest by the originator	10.00%
	(12.11%)
Tangible security coverage (%)	3.09%
	(15.41%)

Previous year figures are shown in "()".

**Note:** The loans acquired are not rated.

## (v) Rating of Security Receipts

The following table sets forth, for the period indicated, rating-wise distribution of Security Receipts held by the bank.

(₹ in crore)

Rating	Recovery Rating	As at March 31, 2024		As at March 31, 2023	
		Gross	Net	Gross	Net
RR1+	More than 150%	57.57	-	-	-
RR1	100%-150%	224.44	-	-	-
RR2	75%-100%	205.00	-	-	-
Unrated		-	-	764.33	27.51
<b>Total</b>		<b>487.01</b>	<b>-</b>	<b>764.33</b>	<b>27.51</b>

## H) Disclosure of Provision for Frauds

(₹ in crore)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
No. of Frauds reported during the year to Reserve Bank of India	4,314	233*
Amount involved in such Frauds	48.02	30.51
Amount involved in such Frauds net of recoveries / write-offs	15.81	28.94
Amount of provision made/held for such frauds	15.81	28.94
Amount of Unamortised provision debited from 'other reserves' as at the end of the year	-	-

**Note:** The information on frauds as above includes certain accounts which were already reckoned as NPAs in the prior years and these are fully provided for.

RBI vide circular No: DoS.CO.FMG.No. S332/23.04.001/2022-23 dated 13.01.2023, has directed Banks to report all UEBT (Unauthorized Electronic Banking Transactions) incidents on the XBRL platform (which is the same platform used to report frauds through FMR). These UEBT transactions are to be reported irrespective of whether customers have shared OTP/bank account credentials or not.

## Schedules

forming part of the Balance sheet as at March 31, 2024

Accordingly, a total of 3927 UEBT incidents (out of total 4,314 fraud incidents reported during FY 2023-24) amounting to ₹ 27.61 crore (not classified by the Bank as fraud) for the period- April 01, 2023 to March 31, 2024 pertaining to FY 2023-24 were reported by the Bank to the RBI and are considered as contingent Liability as "Claim against the bank not acknowledge as debts".

\*During the previous year a total of 599 UEBT incidents amounting ₹ 1.92 crore (not classified by the Bank as fraud) for the period- January 30, 2023 till March 31, 2023 pertaining to FY 2022-23 were reported by the Bank to the RBI are not included in the same.

### I) Provisions on Standard Assets

(₹ in crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Provisions towards Standard Assets*	1,010.66	1,009.78

\*Includes accelerated & additional provision amounting to ₹ 568.93 crore (Previous Year- ₹ 521.96 crore) and also includes provision against advances restructured under the Resolution Framework for COVID-19-related Stress amounting to ₹ 81.48 crore (Previous Year- ₹ 188.00 crore)

### J) Disclosure on Advances

(₹ in crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Gross Advances (Including IBPC/Assignment)	124,574.05	108,827.12
Less: Managed Advance (IBPC/Assignment)	-	-
Gross Advances (Excluding IBPC/Assignment)	124,574.05	108,827.12
Less: Provision on NPA	3,437.27	4,070.35
Net Advances (Refer Schedule 9)	121,136.78	104,756.77

### 18.7 Disclosure under Resolution Framework for COVID-19-related Stress

(₹ in crore)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan– Position as at the end of the previous half-year i.e September 30, 2023 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2024 <sup>^</sup>	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half- year*	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year i.e March 31, 2024**
Personal Loans (Housing)	711.90 (877.39)	70.73 (110.82)	- -	50.43 (55.09)	590.74 (711.48)
Corporate persons	- (32.84)	- -	- -	- (2.75)	- (30.09)
Of which, MSMEs	- -	- -	- -	- -	- -
Others	66.83 (2,592.80)	46.10 (2,253.55)	35.83 (83.06)	20.73 (85.81)	- (253.44)
<b>Total</b>	<b>778.73</b> <b>(3,503.03)</b>	<b>116.83</b> <b>(2,364.37)</b>	<b>35.83</b> <b>(83.06)</b>	<b>71.16</b> <b>(143.65)</b>	<b>590.74</b> <b>(995.01)</b>

Previous year figures are shown in "( )".

<sup>^</sup>Includes loans which have been written off during the period

\*Net of increase in exposure during the period

\*\*Does not include loans restructured under the above frameworks amounting to ₹ 34.44 crore which were not standard as at September 30, 2023 and upgraded to standard during the half year ended March 31, 2024.



# Schedules

forming part of the Balance sheet as at March 31, 2024

## 18.8 Exposures

### A) Exposure to Real Estate Sector

(₹ in crore)

Category	As at March 31, 2024	As at March 31, 2023
<b>a) Direct exposure*</b>		
(i) Residential Mortgages - represents lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	31,288.09	27,152.27
(ii) Commercial Real Estate - represents lending secured by mortgages on commercial real estate	1,774.19	741.73
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures –		
1. Residential	140.86	80.38
2. Commercial Real Estate	6.57	4.67
<b>b) Indirect exposure</b>		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	2,426.20	938.10
<b>Total Exposure to Real Estate Sector</b>	<b>35,635.91</b>	<b>28,917.15</b>

\* Includes purchase of retail mortgage loans through IBPC route.

**Note:** Exposure is higher of limits sanctioned or the amounts outstanding as at the year end.

### B) Exposure to Capital Market

(₹ in crore)

Category	As at March 31, 2024	As at March 31, 2023
Direct investments 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	220.20	304.59
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	-	-
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	-	-
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 primary security other than shares/convertible bonds/convertible debentures/units of equity-oriented mutual funds does not fully cover the advances	-	-
Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	981.43	891.79
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	-	-
Bridge loans to companies against expected equity flows/issues	-	-
Underwriting commitments taken up in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity-oriented mutual funds	-	-
Financing to stock brokers for margin trading	-	-
All exposures to Venture Capital Funds (both registered and unregistered)	5.92	3.70
<b>Total Exposure to Capital Market</b>	<b>1,207.55</b>	<b>1,200.08</b>

**Note:** Exposure is higher of limits sanctioned or the amounts outstanding as at the year end.

# Schedules

forming part of the Balance sheet as at March 31, 2024

## C) Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the Bank

During the year ended March 31, 2024 and March 31, 2023, the Bank's credit exposure to single borrower and group borrowers was within the prudential exposure limits prescribed by RBI.

## D) Unsecured Advances against Intangible Collaterals

During the year ended March 31, 2024 and March 31, 2023, there are no unsecured advances for which intangible securities such as charge over the rights, licenses, authority etc. has been taken as collateral by the Bank.

## E) Risk Category wise Country Exposure

The Bank does not have any Risk Category wise country exposure for the year ended March 31, 2024 and March 31, 2023.

## F) Unhedged Foreign Currency Exposure

During the year ended March 31, 2024, the Bank made provision of ₹ 4.20 crore (Previous Year ₹ 6.64 crore) towards un-hedged foreign currency exposure. As on March 31, 2024, the Bank held cumulative provision towards un-hedged foreign currency exposure of ₹ 11.40 crore (Previous Year ₹ 7.20 crore).

As on March'24, the Bank is required to provide additional Capital of ₹ 124.88 crore (Previous year ₹ 8.87 crore) towards borrowers having un-hedged foreign currency exposures in accordance with RBI guidelines.

## G) Intra Group Exposures

The Bank did not have any intra group exposure during the year ended March 31, 2024 and March 31, 2023.

## H) Factoring Exposures

The Bank did not have any factoring exposure during the year ended March 31, 2024 and March 31, 2023.

## 18.9 Disclosure of penalties imposed by RBI

Penalty amounting to ₹ 0.304 crore has been levied on the Bank by RBI during the year ended March 31, 2024 and ₹ 0.006 crore as on March 31, 2023. The details are specified below:

Details	Particulars
Nature of Breach	Penalty for Cash outage in ATM
Number of Instances of default	1
Quantum of penalty imposed	₹ 0.001 crore
Other details	In terms of extant regulatory guidelines, banks have to ensure that the cash is available in all ATMs continuously. Any cash outage continuously for a period beyond 10 hours will attract penalty of ₹ 10,000 per instance. During the financial year 2023-24, penalty was imposed on the Bank for one such instance."
Nature of Breach	Penalty for Deficiency in services (exchange of soiled / mutilated / defective currency notes) identified by RBI during Incognito Visit.
Number of Instances of default	5
Quantum of penalty imposed	₹ 0.007 crore
Other details	In terms of extant regulatory guidelines, all the branches of banks in all parts of the country are required to mandatorily accept/exchange soiled/mutilated/defective currency notes. During the financial year 2023-24, RBI has imposed penalties in five instances, with ₹ 10,000 each on four occasions and ₹ 30,000 on single instance, due to deficiency in services identified during their incognito visits.
Nature of Breach	Penalty for Irregularities detected during the course of inspection of Currency chest
Number of Instances of default	1
Quantum of penalty imposed	₹ 0.0005 crore
Other details	In terms of extant regulatory guidelines, 2% of the balances in denominations ₹50, ₹20, ₹10 and ₹5 are subjected to the detailed verification during bi-monthly verification. During the financial year 2023-24, RBI has imposed penalty of ₹ 5,000 for one such instance.
Nature of Breach	Penalty for non-compliance with certain directions on 'Reserve Bank of India (Interest Rate on Deposits) Directions, 2016
Number of Instances of default	1
Quantum of penalty imposed	₹ 0.2955 crore
Other details	In terms of extant regulatory guidelines, banks have to ensure compliance with the above Master Direction which shall be read as "Scheduled commercial banks shall not open a savings deposit account in the name of entities other than individuals, Karta of HUF and organisations/ agencies listed in Schedule I". During the financial year 2023-24, penalty was imposed on the Bank for one such instance.

# Schedules

forming part of the Balance sheet as at March 31, 2024

## 18.10 Employee Benefits

### A) Gratuity

The Bank has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on departure and it is computed at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarize the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the Gratuity plan.

(₹ in crore)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>i) Table Showing changes in present value of Defined Benefit obligation:</b>		
Present value of defined benefit obligations as at beginning of the year	202.39	168.13
Interest cost	14.27	11.49
Current service cost	39.28	33.50
Acquisitions cost	-	-
Benefit Paid	8.32	8.11
Actuarial loss/(gain) on obligations	6.53	(2.62)
<b>Present value of defined benefit obligations as at end of the year</b>	<b>254.15</b>	<b>202.39</b>
<b>ii) Table showing fair value of plan assets:</b>		
Fair value of plan assets as at beginning of the year	176.48	140.82
Acquisitions cost	-	-
Expected return on plan assets	13.94	11.37
Contributions paid	40.00	40.00
Benefits Paid	8.32	8.11
Acquisition Adjustment	-	-
Actuarial Gain/ (loss) on plan assets	0.50	(7.60)
<b>Fair value of plan assets at end of the year</b>	<b>222.60</b>	<b>176.48</b>
<b>iii) Actuarial Gain/(Loss) recognised:</b>		
Actuarial (gain)/loss on obligations	6.53	(2.62)
Actuarial (loss)/gain for the year-Plan assets.	0.50	(7.60)
<b>Net Actuarial gain/(loss) recognised in the year</b>	<b>(6.03)</b>	<b>(4.98)</b>
<b>iv) The amounts to be recognised in the Balance Sheet and Profit and Loss Account:</b>		
Present value of obligations at the end of the year	254.15	202.39
Fair value of plan assets at the end of the year	222.60	176.48
<b>Net liability recognised in balance sheet</b>	<b>31.55</b>	<b>25.91</b>
<b>v) The Principal assumptions used in the actuarial valuation are shown below :</b>		
Discount Rate	7.00%	7.20%
Salary Escalation	8.00%	8.00%
Withdrawal Rate	For Ages <=35-16%; For Ages >35- 8%	For Ages <=35-16%; For Ages >35- 8%
Expected rate of return on assets	7.25%	7.25%

## Schedules

forming part of the Balance sheet as at March 31, 2024

### vi) Expenses Recognised in Profit and Loss Account:

(₹ in crore)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current Service Cost	39.28	33.50
Interest Cost	14.27	11.49
Expected return	(13.94)	(11.37)
Net Actuarial loss/(Gain) recognised in the year	6.03	4.98
<b>Expenses recognised in profit and loss account</b>	<b>45.64</b>	<b>38.60</b>
Actual return on plan assets	14.44	3.77

### vii) Amounts for the current and previous year are as follows:

(₹ in crore)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
a) Defined Benefit Obligations at the end of the period	(254.15)	(202.39)	(168.13)	(135.09)	(107.96)
b) Plan Assets at the end of the period	222.60	176.48	140.82	102.12	59.90
c) Deficit	(31.55)	(25.91)	(27.31)	(32.97)	(48.06)
d) Experience adjustments on plan liabilities [(Gain)/Loss]	6.53	(2.62)	1.48	2.29	18.83
e) Experience adjustments on plan assets [Gain/(Loss)]	0.50	(7.60)	(5.25)	(2.43)	(1.51)

### viii) The Major categories of Plan Assets as a percentage of the fair value of Total Plan Asset are as follows:

(₹ in crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Insurance Managed Fund	100%	100%

- ix) The estimates of future salary increases considered in actuarial valuation, takes account of inflation, seniority and other relevant factors, such as supply and demand in the employment market.
- x) The Bank expects to contribute ₹ 40 crore to gratuity fund in 2024-25 (Previous year ended March 31, 2023: ₹ 40 crore)
- xi) The overall expected rate of return on assets is determined based on market prices prevailing on that date, applicable to the year over which the obligation is to be settled.

### B) Provident Fund

Amount incurred as expense for defined contribution to Provident Fund is ₹ 176.61 crore (Previous year ended March 31, 2023 : ₹ 141.11 crore)

### C) Compensated Absences

The Bank has provided for compensatory leaves which can be availed and not encashed as per policy of the Bank as present value obligation of the benefit at related current service cost measured using the Projected Unit Credit Method on the basis of an actuarial valuation. The Bank has accordingly booked ₹ 83.52 crore (Previous Year ₹ 55.55 crore) in the books of accounts for the year.

### D) The Code on Social Security, 2020

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and postemployment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. The effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are not yet issued. The Bank will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

# Schedules

forming part of the Balance sheet as at March 31, 2024

## 18.11 Segment Reporting

### A) Segment Identification

Pursuant to the guidelines issued by RBI on AS 17 - Segment Reporting - Enhancement of Disclosures dated April 18, 2007, the following business segments have been reported:

#### i) Treasury :

Treasury operations include investments in sovereign securities and trading operations. The Treasury segment also includes the central funding unit.

#### ii) Retail banking :

Includes lending to individuals/small businesses through the branch network and other delivery channels subject to the orientation, nature of product, granularity of the exposure and low value of individual exposure thereof. It also includes liability products, card services, internet banking, mobile banking, ATM services and NRI services. All deposits sourced by branches are classified in retail category.

#### iii) Corporate/Wholesale Banking:

Includes corporate relationships not included under Retail Banking.

#### iv) Other Banking Business :

Include para banking activities like third party product distribution and other banking transaction not covered under any of the above three segments.

Income, expenses, assets and liabilities are either specifically identified with individual segments or are allocated to segments on a systematic basis.

The liabilities of the Bank are first used by the units generating the same. Any excess liabilities of the units are pooled to central funding unit (Treasury). Treasury then lends these funds to other units at appropriate rates.

The transfer pricing mechanism of the Bank is periodically reviewed. The segment results are determined based on the transfer pricing mechanism prevailing for the respective reporting periods.

Revenues of the Treasury segment primarily consist of fees and gains or losses from trading operations and interest income on the investment portfolio. The principal expenses of the segment consist of interest expense on funds borrowed from external sources and other internal segments, premises expenses, personnel costs, other direct overheads and allocated expenses.

Revenues of the Corporate/Wholesale Banking segment consist of interest and fees earned on loans given to customers falling under this segment and fees arising from these. Revenues of the Retail Banking segment are derived from interest earned on loans classified under this segment, fees for banking services and ATM interchange fees. Expenses of the Corporate/Wholesale Banking and Retail Banking segments primarily comprise interest expense on deposits and funds borrowed from other internal segments, infrastructure and premises expenses for operating the branch network and other delivery channels, personnel costs, other direct overheads and allocated expenses.

Segment income includes earnings from external customers and from funds transferred to the other segments. Segment result includes revenue as reduced by interest expense and operating expenses and provisions, if any, for that segment. Segment-wise income and expenses include certain allocations. Inter segment interest income and interest expense represent the transfer price received from and paid as per the transfer pricing mechanism presently followed by the Bank.

# Schedules

forming part of the Balance sheet as at March 31, 2024

## B) Segment Information

### i) Primary (Business Segment)

(₹ in crore)

Particulars	Treasury	Retail Banking	Corporate/ Wholesale Banking	Other banking business	Total
<b>Segment Revenue</b>					
Gross interest income (external customers)	2,158.04	15,141.83	1,569.75	-	18,869.62
	(1,950.55)	(13,113.81)	(840.34)	-	(15,904.70)
Other income	125.71	1,722.26	-	316.68	2,164.65
	(35.50)	(2,028.52)	-	(404.53)	(2,468.55)
<b>Total income as per profit and Loss Account</b>	<b>2,283.75</b>	<b>16,864.09</b>	<b>1,569.75</b>	<b>316.68</b>	<b>21,034.27</b>
	<b>(1,986.05)</b>	<b>(15,142.33)</b>	<b>(840.34)</b>	<b>(404.53)</b>	<b>(18,373.25)</b>
Add: Inter segment interest income	-	850.26	-	-	850.26
	(182.41)	-	-	-	(182.41)
<b>Total segment revenue</b>	<b>2,283.75</b>	<b>17,714.34</b>	<b>1,569.75</b>	<b>316.68</b>	<b>21,884.53</b>
	<b>(2,168.46)</b>	<b>(15,142.33)</b>	<b>(840.34)</b>	<b>(404.53)</b>	<b>(18,555.66)</b>
Less: Interest expenses	1,338.21	6,773.32	432.48	-	8,544.01
	(1,250.64)	(4,971.55)	(422.89)	-	(6,645.08)
Less: Inter segment interest expenses	104.77	-	742.82	2.67	850.26
	-	(40.34)	(140.32)	(1.75)	(182.41)
Less: Operating expenses	21.25	5,635.39	181.77	12.37	5,850.78
	(135.59)	(4,347.72)	(145.25)	(8.26)	(4,636.82)
<b>Operating Profit</b>	<b>819.52</b>	<b>5,305.63</b>	<b>212.68</b>	<b>301.64</b>	<b>6,639.48</b>
	<b>(782.23)</b>	<b>(5,782.72)</b>	<b>(131.88)</b>	<b>(394.52)</b>	<b>(7,091.35)</b>
Less: Provisions for non performing assets/others	-	3,579.25	117.32	-	3,696.57
	-	(4,151.17)	(47.20)	-	(4,198.37)
<b>Segment results</b>	<b>819.52</b>	<b>1,726.39</b>	<b>95.36</b>	<b>301.64</b>	<b>2,942.91</b>
	<b>(782.23)</b>	<b>(1,631.55)</b>	<b>(84.68)</b>	<b>(394.52)</b>	<b>(2,892.98)</b>
Less: provisions for tax					713.34
					(698.34)
<b>Net profit</b>					<b>2,229.57</b>
					<b>(2,194.64)</b>
<b>Other information</b>					
Segment assets	44,538.39	110,459.28	21,049.44	29.33	176,076.45
	(39,777.48)	(97,986.81)	(16,789.31)	(22.16)	(154,575.76)
Unallocated assets					1,765.21
					(1,461.33)
<b>Total assets</b>	<b>44,538.39</b>	<b>110,459.28</b>	<b>21,049.44</b>	<b>29.33</b>	<b>177,841.66</b>
	<b>(39,777.48)</b>	<b>(97,986.81)</b>	<b>(16,789.31)</b>	<b>(22.16)</b>	<b>(156,037.09)</b>
Segment liabilities*	39,339.11	127,938.37	10,255.01	-	177,532.49
	(45,138.62)	(100,104.23)	(10,403.22)	-	(155,646.07)
Unallocated liabilities					309.17
					(391.02)
<b>Total liabilities</b>	<b>39,339.11</b>	<b>127,938.37</b>	<b>10,255.01</b>	<b>-</b>	<b>177,841.66</b>
	<b>(45,138.62)</b>	<b>(100,104.23)</b>	<b>(10,403.22)</b>	<b>(-)</b>	<b>(156,037.09)</b>
Capital Expenditure	16.76	516.90	23.76	-	557.42
	-	(387.56)	(24.52)	(-)	(412.08)
Depreciation	32.53	192.34	12.70	-	237.57
	(26.57)	(107.59)	(8.49)	(-)	(142.65)

#### Notes:

The business of the Bank does not extend outside India and it does not have any assets outside India or earnings emanating from outside India. Accordingly, the Bank has reported operations in the domestic segment only.

\*Treasury segment liabilities includes share capital and reserve & surplus

The RBI vide its circular dated April 7, 2022 on establishment of Digital Banking Units (DBUs), has prescribed reporting of Digital Banking Segment as a sub-segment of Retail Banking Segment. The Bank does not have any DBUs, hence Digital Banking Segment disclosures is not applicable.

Previous year figures are shown in "( )".

Segment information is provided as per the MIS available for internal reporting purposes, which include certain estimates/assumptions. The methodology adopted in compiling and reporting the above information has been relied upon by the auditors.



# Schedules

forming part of the Balance sheet as at March 31, 2024

## 18.12 Related Party disclosure

The Bank has transactions with its related parties comprising of associates/other related entities, key management personnel and the relatives of key management personnel.

As per AS 18 “Related Party Disclosures”, notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014, the Bank’s related parties for the year ended March 31, 2024 are disclosed below:

### A) Names of related parties and nature of relationship

Entities	Nature of relationship
Bandhan Financial Services Limited	Entity having Significant influence (Promoter)
Bandhan Financial Holdings Limited	Entity having Significant influence (Promoter)
Bandhan Konnagar	Promoter Group Entity
Bandhan AMC Limited	Entity in which Promoter entity exercises control
Nakshi Creations Pvt. Ltd.	Entity in which key management personnel are interested
<b>Key Management Personnel</b>	
Mr. Chandra Shekhar Ghosh	Managing Director & Chief Executive Officer
Mr. Ratan Kumar Kesh (w.e.f. March 31, 2023)	Executive Director
Mr. Rajinder Kumar Babbar (w.e.f. March 08, 2024)	Executive Director
Mr. Indranil Banerjee	Company Secretary
Mr. Rajeev Mantri (w.e.f. February 22, 2024)	Chief Financial Officer
Mr. Abhijit Ghosh (from October 20, 2023 to February 22, 2024)	Chief Financial Officer
Mr. Sunil Samdani (upto October 20, 2023)	Chief Financial Officer
<b>Relatives of Key Management Personnel</b>	
Nilima Ghosh, Suchitra Ghosh, Angshuman Ghosh, Vaskar Ghosh, Dibakar Ghosh, Shipra Ghosh, Supriya Ghosh Antara Kesh, Ashalata Kesh, Rajarshi Kesh, Manik Chand Kesh, Sulekha Sam, Sipra Roy (w.e.f. March 31, 2023)	
Inderpreet Kaur, Nauvtej Singh Babbar, Gourima Singh Babbar, Sarla Grover, Anju Sethi, Shashi Sachdeva (w.e.f. March 08, 2024)	
Saswati Banerjee, Arati Banerjee, Ishaan Banerjee, Mousumi Mukherjee.	
Rupal Mantri, Vijay Shankar Mantri, Sampat Mantri, Raaghav Mantri, Ria Mantri, Naveen Mantri, Suman Rathi (w.e.f. February 22, 2024)	
Sweta Pathak, Pratima Ghosh, Ritam Ghosh (from October 20, 2023 to February 22, 2024)	
Nidhi Samdani, Sohan Samdani, Manju Somani, Asha Boheria, Usha Kothari (upto October 20, 2023)	

In accordance with paragraph 5 & 6 of AS-18, the Bank has not disclosed certain transactions with entity in which Key management personnel or their relatives are interested as they are in the nature of banker-customer relationship.

## Schedules

forming part of the Balance sheet as at March 31, 2024

The Bank's related party balances and transactions for the year ended March 31, 2024 are summarised as follows:

(₹ in crore)

Items/Related Party	Entity having Significant influence (Promoter)	Promoter Group Entity	Key Management Personnel	Relatives of Key Management Personnel	Total
Deposits taken*	637.66 (1,678.10)	338.08 (679.61)	3.85 (9.33)	5.96 (14.87)	<b>985.55</b> <b>(2,381.91)</b>
Deposits placed	-	-	-	-	-
Advances given	-	-	10.17 (14.15)	-	<b>10.17</b> <b>(14.15)</b>
Security Deposit given	-	0.06	-	-	<b>0.06</b>
Payables	-	5.97	-	-	<b>5.97</b>
Dividend paid	96.62	-	0.25	0.00	<b>96.87</b>
Interest received	-	-	0.14	-	<b>0.14</b>
Interest paid	73.12	10.80	0.23	0.22	<b>84.37</b>
Rendering of services	0.00	0.00	-	0.002	<b>0.00</b>
Remuneration paid	-	-	10.86	0.72	<b>11.58</b>
Stock options exercised during the year**	-	-	1.44	-	<b>1.44</b>
Rental Expense	-	6.80	-	-	<b>6.80</b>
Training Expense	-	32.59	-	-	<b>32.59</b>
CSR Expense	-	35.80	-	-	<b>35.80</b>
Other reimbursements	-	1.58	0.10	0.00	<b>1.68</b>

Figures in bracket ( ) indicate maximum balance outstanding during the year.

\* Deposits taken includes Fixed Deposits & accrued interest

\*\* Options exercised under Employee Stock Option Plan Series 1.

The Bank's related party balances and transactions for the year ended March 31, 2023 are summarised as follows:

(₹ in crore)

Items/Related Party	Entity having Significant influence (Promoter)	Promoter Group Entity	Key Management Personnel	Relatives of Key Management Personnel	Total
Deposits taken*	804.74 (2,952.72)	213.67 (213.67)	2.83 (2.96)	3.84 (3.82)	<b>1,025.08</b> <b>(3,173.17)</b>
Deposits placed	-	0.00	-	-	-
Advances given	-	-	3.04 (3.04)	-	<b>3.04</b> <b>(3.04)</b>
Security Deposit given	-	0.06	-	-	<b>0.06</b>
Payables	-	7.05	-	-	<b>7.05</b>
Dividend paid	-	-	-	-	-
Dividend received	-	-	0.06	-	<b>0.06</b>
Interest paid	135.01	8.63	0.13	0.18	<b>143.95</b>
Rendering of services	0.00	0.00	0.00	0.003	<b>0.00</b>
Remuneration paid	-	-	5.78	0.71	<b>6.49</b>
Stock options exercised during the year**	-	-	-	-	-
Rental Expense	-	6.27	-	-	<b>6.27</b>
Training Expense	-	23.89	-	-	<b>23.89</b>
CSR Expense	-	53.56	-	-	<b>53.56</b>
Other reimbursements	-	1.00	0.04	0.01	<b>1.05</b>

**Notes:** Figures in bracket ( ) indicate maximum balance outstanding during the year.

\* Deposits taken includes Fixed Deposits & accrued interest

\*\* Options exercised under Employee Stock Option Plan Series 1.

# Schedules

forming part of the Balance sheet as at March 31, 2024

A specific related party transaction is a significant transaction wherever it exceeds 10% of all related party transactions in that category. The significant transactions between the Bank and related parties during the year ended March 31, 2024 and March 31, 2023 are given below

(₹ in crore)

Items/Related Party	Entity having Significant influence (Promoter)	Promoter Group Entity	Key Management Personnel	Relatives of Key Management Personnel
<b>Deposits*</b>				
Bandhan Financial Services Limited	380.83 (309.09)			
Bandhan Financial Holdings Limited	256.83 (495.64)			
Bandhan Konnagar		338.08 (213.67)		
<b>Advances</b>				
Ratan Kumar Kesh			3.54 (-)	
Rajinder Kumar Babbar			5.73 (-)	
<b>Dividend paid</b>				
Bandhan Financial Holdings Limited	96.62 (-)			
<b>Interest paid</b>				
Bandhan Financial Services Limited	34.74 (20.55)			
Bandhan Financial Holdings Limited	38.38 (114.46)			
Bandhan Konnagar		10.80 (8.63)		
<b>Interest received</b>				
Sunil Samdani			0.07 (0.06)	
Ratan Kumar Kesh			0.05 (-)	
Indranil Banerjee			0.02 (-)	
<b>Rendering of services</b>				
Nidhi Samdani				# (#)
Nilima Ghosh				# (#)
Bandhan Konnagar		# (-)		
<b>Stock Options exercised **</b>				
Chandra Shekhar Ghosh			0.90 (-)	
Sunil Samdani			0.54 (-)	
<b>Rent Expense</b>				
Bandhan Konnagar		6.80 (5.64)		
<b>Training Expense</b>				
Bandhan Konnagar		32.59 (23.24)		

## Schedules

forming part of the Balance sheet as at March 31, 2024

(₹ in crore)

Items/Related Party	Entity having Significant influence (Promoter)	Promoter Group Entity	Key Management Personnel	Relatives of Key Management Personnel
<b>CSR Expense</b>				
Bandhan Konnagar		35.80		
		(53.56)		
<b>Other reimbursements</b>				
Bandhan Konnagar		1.58		
		(1.00)		
<b>Remuneration paid</b>				
Chandra Shekhar Ghosh			4.11	
			(3.21)	
Ratan Kumar Kesh			2.42	
			-	
Sunil Samdani			1.96	
			(1.57)	
Indranil Banerjee			1.39	
			(1.00)	

Previous year figures are shown in "()".

# Denotes amount less than ₹ 1 lacs

\* Deposits taken includes Fixed Deposits

\*\* Options exercised under Employee Stock Option Plan Series 1.

### 18.13 Deferred Tax

(₹ in crore)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Deferred Tax Assets arising out of</b>		
Depreciation on fixed assets	38.20	34.59
Provisions for loan losses	947.14	1,002.94
Provision for depreciation in value of investments	136.08	204.82
Expenditure charged to the profit & Loss account in the current year but allowed for tax purposes on payment basis	150.46	123.80
Others	8.04	6.48
<b>Total (a)</b>	<b>1,279.92</b>	<b>1,372.63</b>
<b>Deferred Tax Liability arising out of</b>		
Special Reserves	(284.32)	(259.55)
<b>Total (b)</b>	<b>(284.32)</b>	<b>(259.55)</b>
<b>Deferred tax asset (net) (a-b)</b>	<b>995.60</b>	<b>1,113.08</b>

# Schedules

forming part of the Balance sheet as at March 31, 2024

## 18.14 Earnings per Share

The Bank reports basic and diluted earnings per equity share in accordance with Accounting Standard 20- "Earnings per Share".

(₹ in crore)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>Basic</b>		
Weighted Average Number of equity shares	1,610,889,761	1,610,809,940
Net Profit after tax available for equity share holders	2,229.56	2,194.64
Basic Earnings Per Share (FV ₹10/-)	13.84	13.62
<b>Diluted</b>		
Weighted Average Number of equity shares (including dilutive potential equity share)	1,611,074,329	1,611,088,297
Net Profit after tax available for equity share holders	2,229.56	2,194.64
Diluted Earnings Per Share (FV ₹10/-)	13.84	13.62
Nominal value per share	10.00	10.00

The dilutive impact is due to stock options granted to employees of the Bank.

## 18.15 Liability for Operating Leases

The Banking Units premises are generally rented on cancellable terms for less than twelve months with no escalation clause and renewable at the option of the Company. The Head office and the Bank Branches office premises are obtained on non- cancellable lease terms. Lease payment during the year are charged in the statement of profit & loss.

The amount of rent expenses included in the Profit & Loss account towards operating leases aggregate to ₹ 298.43 crore (Previous year ended March 31,2023: ₹ 234.03 crore).

Particulars of future minimum lease payment in respect of Head office & Bank branches are as mentioned below :

(₹ in crore)

Particulars	As at March 31, 2024	As at March 31, 2023
a) Not later than 1 year	194.63	147.59
b) Later than 1 year and not later than 5 years	534.92	373.51
c) Later than 5 years	304.08	196.75

## 18.16 Small and Micro Industries

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October 02, 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 during the years ended March 31, 2024 and March 31, 2023. The above is based on the information available with the Bank which has been relied upon by the auditors.

## 18.17 Description of contingent liabilities

### i) Claims against the Bank not acknowledged as debts:

An amount of ₹ 99.73 crore (Previous year: ₹ 201.18 crore) is outstanding as at March 31, 2024, as claims against the Bank not acknowledged as Debts including ₹ 40.69 crore (Previous year: ₹ 174.20 crore) being in the nature of a contingent liability on account of proceedings pending with Tax authorities. The Bank is a party to various taxation matters in respect of which appeals are pending and various legal proceedings in the normal course of business. The Bank has reviewed and classified these items as possible obligations based on legal opinion/judicial precedents/assessment and does not expect the outcome of these proceedings to have a materially adverse effect on the Bank's Financial Statements.

## Schedules

forming part of the Balance sheet as at March 31, 2024

### ii) Liability on account of Forward Exchange contracts

The Bank has entered into foreign exchange contracts with interbank Counterparties. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. The forward exchange contracts that are not intended for trading and are entered into to establish the amount of reporting currency required or available at the settlement date of a transaction are effectively valued at closing spot rate. The premium or discount arising on inception of such forward exchange contracts is amortised over the life of the contract as interest Expense / income. The amount in contingent liability represents notional outstanding principal amount.

### iii) Guarantees given on behalf of constituents, Acceptances, Endorsements and Others

An amount of ₹ 1,716.15 crore (Previous year: ₹ 1,199.17 crore) is outstanding as at March 31, 2024. As part of its commercial banking activity, the Bank issues documentary credit and guarantees on behalf of its customers. Guarantees generally represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfil its financial or performance obligations.

### iv) Other items:

An amount of ₹ 283.14 crore (Previous year: ₹ 264.81 crore) is outstanding as at March 31, 2024. These include:

- Liability in respect of capital commitments relating to fixed assets.
- Amount transferred to RBI under Depositor Education and Awareness Fund (DEA Fund).

## 18.18 Additional Disclosures

### A) Disclosure of customer complaints

Summary information on complaints received by the bank from customers and from the offices of Ombudsman

Sr. No	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>Complaints received by the bank from its customers</b>			
1	Number of complaints pending at beginning of the year	1,420	373
2	Number of complaints received during the year*	60,330	37,752
3	Number of complaints disposed during the year*	60,600	36,705
3.1	Of which, number of complaints rejected by the bank	5,995	5,429
4	Number of complaints pending at the end of the year	1,150	1,420
<b>Maintainable complaints received by the bank from OBOs</b>			
5	Number of maintainable complaints received by the bank from OBOs	952	474
5.1	Number of complaints resolved in favour of the bank by 'BOs'	334	227
5.2	Number of complaints resolved through conciliation/mediation/ advisories issued by 'BOs'	617	247
5.3	Number of complaints resolved after passing of Awards by 'BOs' against the bank	1	-
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

\* The above does not include 9,596 Nos. of complaints received and resolved within next working day during the year ended March 31, 2024 (Previous Year- 11,132 Nos.)



# Schedules

forming part of the Balance sheet as at March 31, 2024

## Top five grounds of complaints received by the bank from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ (decrease) in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
<b>Year ended March 31, 2024</b>					
ATM/Debit Cards	211	17,957	(3.30%)	148	2
Internet/Mobile/Electronic Banking	189	22,501	349.75%	312	18
Account opening/difficulty in operation of accounts	740	12,391	26.07%	300	42
Loans and advances	175	4,176	80.70%	223	63
Cheques/drafts/bills	3	1,053	621.23%	3	3
Others	102	2,252	18.96%	164	36
<b>Total</b>	<b>1,420</b>	<b>60,330</b>		<b>1,150</b>	<b>164</b>
<b>Year ended March 31, 2023</b>					
ATM/Debit Cards	206	18,570	(3.26)%	211	7
Internet/Mobile/Electronic Banking	70	5,003	(54.30)%	189	40
Account opening/difficulty in operation of accounts	62	9,829	100.96%	740	631
Loans and advances	14	2,311	556.53%	175	56
Mis-selling/Para-banking	14	573	264.97%	60	35
Others	7	1,466	372.90%	45	27
<b>Total</b>	<b>373</b>	<b>37,752</b>		<b>1,420</b>	<b>796</b>

### B) Letter of Comfort (LOC's) issued by the Bank

The Bank has not issued any Letter of Comfort (LOC) during the year ended March 31, 2024 and March 31, 2023.

### C) Bancassurance Business

The following table shows breakup of income derived from sale of insurance /Mutual funds.

(₹ in crore)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
For selling life insurance policies	261.90	211.62
For selling non-life insurance policies	15.16	26.65
For selling mutual fund products	6.31	5.14
Others	0.15	0.11

### D) Concentration of Deposits, Advances Exposures & NPAs

#### I) Concentration of Deposits

(₹ in crore)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
i) Total Deposits of twenty largest depositors	21,847.93	17,737.14
ii) Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	16.16%	16.41%

# Schedules

forming part of the Balance sheet as at March 31, 2024

## II) Concentration of Advances

(₹ in crore)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
i) Total Advances to twenty largest borrowers	8,606.34	7,168.11
ii) Percentage of Advances to twenty largest borrowers to Total Advances of the Bank	6.62%	6.38%

Advances comprises credit exposure (funded and non-funded credit limits) and excludes Advances against Bank own deposit computed as per current exposure method in accordance with RBI guidelines.

## III) Concentration of Exposures

(₹ in crore)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
i) Total Exposure to twenty largest borrowers / customers	8,606.34	7,558.87
ii) Percentage of Exposures to twenty largest borrowers / customers to total exposure of the bank on borrowers / customers	6.56%	6.60%

Exposure comprises credit exposure (funded and non-funded credit limits), Investment exposure and excludes Advances against Bank own deposit in accordance with RBI guidelines.

## IV) Concentration of NPAs

(₹ in crore)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Total Exposure to the top twenty NPA accounts	651.88	573.70
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	13.62%	10.83%

## 18.19 Disclosures on Remuneration

### Qualitative Disclosures

#### A) Information relating to the composition and mandate of the Remuneration Committee.

The Bank's Nomination and Remuneration Committee (NRC) oversees the framing, review and implementation of the Compensation Policy on behalf of the Board of Directors. The NRC reviews the policy at least once a year to ensure that the reward design is aligned to industry best practices and is consistent with effective risk management and long term business interests of the Bank. The NRC works in close coordination with the Risk Management Committee of the Bank, to achieve the effective alignment between remuneration and risks.

As on March 31, 2024 the NRC comprises of the following directors.

Mr. Suhail Chander- Chairman

Dr. A S Ramasastry

Mr. Philip Mathew

The NRC functions with the following main objectives:

- To identify persons who are qualified to become directors in accordance with the criteria laid down, recommend to the Board their appointment, re-appointment or removal and to carry out evaluation of every Director's performance;
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and decide their 'fit & proper' status;
- To oversee the framing, review and implementation of compensation policy of the Bank and recommend to the Board the overall remuneration philosophy and policy including the level and structure of fixed pay, variable pay, perquisites, bonus pool, stock based remuneration to employees;

# Schedules

forming part of the Balance sheet as at March 31, 2024

- iv) To oversee the framing, implementation and review of the Remuneration of the Whole Time Director (WTDs) /Managing Director (MD)/ Chief Executive Officer (CEOs) as per the RBI Guidelines and Companies Act, 2013. The Committee shall recommend to the Board the remuneration package for the Managing Director & CEO and the other Whole Time Directors – including the level of fixed pay, variable pay, stock based Remuneration and perquisites;
- v) To review the HR strategy and policy including the conduct and ethics of the Bank and review any fundamental changes in the organization structure which could have wide ranging and high risk implications;
- vi) To review and recommend to the Board, the succession policy at the level of Managing Director & CEO, other WTDs, senior management one level below the Board and key roles.

## **B) Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy**

### **Objectives of the Remuneration Policy**

The Compensation Policy reflects the Bank's objectives for good corporate governance as well as sustained and long-term value creation for stakeholders. The aims of the Bank's remuneration framework are to:

- i) Attract, motivate and retain people with requisite skill, experience and ability to deliver the Bank's strategy;
- ii) Create an alignment and balance between the rewards and risk exposure of shareholders and interests of employees;
- iii) Link rewards to creation of long term sustainable shareholder value consistent with strategic goals and appropriate risk management; and
- iv) Encourage behaviour consistent with the Bank's values and principles.
- v) Support appropriate conduct and meritocratic culture through differentiated performance rewards

To achieve the above objectives, the philosophy adopted by the Bank is as follows:

- i) Market referenced: offer employees competitive salary, achieved through benchmarking with peer groups.
- ii) Making fixed salary the main remuneration component.
- iii) Ensure that jobs of similar internal value are grouped and pegged within a range guided by market benchmarked jobs.
- iv) Risk Adjusted: By integrating non-financial considerations relating to conduct in performance assessments, employing proper mix of compensation elements and aligning compensation incentives to risk outcomes and factoring the time horizon of risks
- v) Focus on 'Total rewards', all aspects of compensation, rewards and well defined benefits, including rewarding work environment and personal development.
- vi) The focus will be to ensure that the Bank is competitive in its overall salary offer to its employees without being excessively expensive for the Bank.

The compensation structure for the MD & CEO also mirrors the Bank's philosophy of aligning with the principles of sound compensation practices to ensure:

- i) Effective and independent governance of compensation.
- ii) Effective alignment of compensation with prudent risk taking.
- iii) Effective supervisory oversight and engagement by stakeholders.

### **Design & Structure of Remuneration process**

The total compensation is a prudent mix of fixed remuneration and performance-based variable remuneration

The key remuneration elements are:

- 1) Fixed Pay
- 2) Discretionary Performance-based Variable Remuneration

The Bank ensures that the fixed pay element is reasonable, taking into account the market rates and trends. The fixed pay is reviewed annually using market intelligence provided by a leading global performance/reward consulting and benchmarking firm for financial services industry to ensure that the Bank remains competitive in marketplace and that the Bank is able to attract and retain best talent. The level of fixed pay shall be sufficient enough in order to discourage inappropriate risk-taking.

Performance-based variable remuneration may comprise cash bonus, stock linked instruments, and is awarded by ensuring:

# Schedules

forming part of the Balance sheet as at March 31, 2024

- i) an appropriate balance between fixed and performance-based components;
- ii) that the fixed component represents a higher proportion of the total remuneration;
- iii) that the performance-based component reflects the risk underlying the achieved result;
- iv) that a substantial part of the performance-based component may be deferred;
- v) that no hedging of deferred shares takes place;

Presently, the bank utilises only two form of performance based variable remuneration, viz., cash bonus, ESOP, as referred in note no 18.29 is linked to continuous service with the Bank.

The compensation policy of the Bank is reviewed by the NRC and approved by the Board of Directors. The NRC oversees the implementation of the policy and reviews the fixed pay increases, the organizational performance threshold for bonus to be paid, cash bonus and deferred variable remuneration.

## **C) Description of the ways in which current and future risks are taken into account in the remuneration process**

The MD & CEO, employees in the grades of SVPs and above and employees engaged in the functions of Risk Control and Compliance are included in the policy of risk alignment of compensation.

The alignment of compensation to prudent risk taking is ensured through the following:

- i) Structure of remuneration is such that a significant part of performance based variable remuneration is deferred.
- ii) Performance hurdles includes financial and non-financial parameters, ensuring compensation is aligned to both.
- iii) Fixed Salary is reasonable and sufficient, thereby discouraging inappropriate risk taking.
- iv) Annual Bonus Plan is managed with an independent governance framework.
- v) Variable remuneration awards are conditional, discretionary and contingent upon a sustainable and risk-adjusted performance. They are therefore capable of forfeiture or reduction at the Bank's discretion.
- vi) For employees included in the policy of risk alignment of compensation, NRC has the discretion to apply malus and clawback – ex-post risk adjustment, allowing the Bank to adjust previously awarded remuneration to take account of subsequent performance and potential risk outcomes and thus enabling to recoup variable pay in the event of a negative contribution.

### **Deferral of Variable Pay**

To ensure that risk measures are not focused only on the achievement of short term goals, variable payout is deferred, if it exceeds 50% of the fixed pay.

The Bank's compensation policy aims to ensure that both ex-ante estimates and ex-post outcomes of risk affect payoffs; so that one or the other, can better address the various situations or risks.

## **D) Description of ways in which the Bank seeks to link performance, during a performance measurement period with levels of remuneration.**

The Bank has a performance measurement framework in place to assess the achievements of the organization as a whole, its business lines and organizational units as well as individual employees. In order to maximise the incentive to deliver adequate performance and to take into account any risks of the business activities, the Bank seeks to closely link remuneration outcomes with performance and risk outcomes. Accordingly, the Bank's performance management and compensation philosophy is designed in a manner to help achieve the Bank's business objectives.

The performance management system in the Bank is aligned to the balanced scorecard approach. The goal setting process helps individuals to have clarity on their roles and align their profiles in line with the broad organization strategy. Both quantitative / financial and qualitative / non-financial performance measures are considered. The qualitative or non-financial measures include customer service, adherence to risk and compliance standards, behaviour and values such as accountability, team work, etc., which builds a culture conducive to sustainable business performance.

The performance appraisal process starts with the employee conducting self-appraisal followed by the assessment of the supervisor via appraisal feedback and discussion.

Individual fixed pay increases and variable remuneration are based on the final performance ratings. In addition, the fixed pay increase is also influenced by an employee's position in the salary range and relevant market salaries. Performance related variable compensation is linked to corporate performance, business performance and individual performance. The performance ratings based bonus distribution matrix is reviewed by the NRC.

# Schedules

forming part of the Balance sheet as at March 31, 2024

Employees engaged in all control functions including Compliance and Risk do not carry business profit targets in their goal sheets and hence are compensated based on their achievement of key result areas as per the balance score card. The aim is to ensure that the remuneration system and outcomes relating to such control functions maintain the independence of the function and Bank's robust risk management framework. Accordingly, for the control functions, the variable pay is conservative to promote prudent risk management behaviour and the 'pay mix' is skewed towards fixed pay.

In the case of performance evaluation of the Managing Director and Chief Executive Officer of the Bank, factors such as financial performance measures, cost management initiatives, other strategic initiatives, prudential risk and compliance management, recognition and awards to the Bank, etc., is taken into account, which may vary from year to year depending on the Bank's strategic priorities. Based on the inputs from NRC, the Board reviews the performance and recommends the rate of bonus to be paid, and the increments for the MD & CEO, for regulatory approval in terms of Section 35B of the Banking Regulation Act, 1949 (B.R. Act, 1949).

## **E) Bank's policy on deferral and vesting of variable remuneration and bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.**

In terms of RBI guidelines, the Compensation Policy specifically addresses the following categories of employees:

Category I : Managing Director & Chief Executive Officer / Whole Time Directors / Material Risk Takers

Category II : Risk Control and Compliance Staff

Category III: Other Categories of Staff (employees receiving share-linked variable pay)

The following principles are applied for grant and deferral of performance-based variable remuneration for the above categories of employees.

### **Category I**

- i) Variable pay shall not exceed 3 (three) times the annual fixed pay for MD & CEO and WTDs.
- ii) Variable pay shall not exceed 2.5 (two and half) times the annual fixed pay for MRTs.
- iii) At minimum, variable pay shall be equal to the annual fixed pay.
- iv) If an executive is barred by regulation/ statute to receive grant of share-linked instruments, the variable pay shall be capped at 1.5 (one and half) times the annual fixed pay, but will be more than 50% of the annual fixed pay
- v) If variable pay is up to 2 (two) times the annual fixed pay, then at least 50% of the variable pay shall be in the form of share-linked instruments (i.e. non-cash).
- vi) If variable pay is between 2 (two) to 3 (three) times the annual fixed pay, then at least two—thirds of the variable pay shall be in the form of share-linked instruments (i.e. non-cash).
- vii) At least 60% of total variable pay shall be deferred including at least 50% of cash-based variable pay. However, in cases where the cash component of variable pay is under INR 25 lakh, the Bank at its discretion, may not necessarily have deferral requirements.
- viii) Deferral of cash based variable pay shall be for 3 years on pro-rata yearly basis (annual vesting).
- ix) Deferral of share-linked variable pay shall be for 4 years on pro-rata yearly basis (annual vesting).
- x) In case the employee exits the organization before the vesting of all three parts, the remaining deferred cash based variable pay will not be paid

### **Category II**

- i) The mix of Fixed Pay and Variable remuneration will be weighed towards Fixed Pay.
- ii) Variable pay shall not exceed the annual fixed pay.
- iii) At least 40% of the variable pay shall be in the form of share-linked instruments (i.e. non-cash).
- iv) Deferral of share-linked variable pay shall be for 4 years on pro-rata yearly basis (annual vesting).
- v) The compensation will be commensurate to their key role in the Bank.

### **Category III**

- i) Variable Remuneration will be as per the NRC approved pay-out levels in terms of performance, grade and role matrix.
- ii) Variable pay shall not exceed the annual fixed pay.
- iii) At least 50% of the variable pay shall be in the form of share-linked instruments (i.e. non-cash).
- iv) Deferral of share-linked variable pay shall be for 4 years on pro-rata yearly basis (annual vesting).

## Schedules

forming part of the Balance sheet as at March 31, 2024

For the three categories of employees mentioned hereinabove, the awarded performance based variable pay shall be subject to in-year adjustment, malus or clawback as decided by the NRC, in the event of negative contribution of the Bank and / or relevant line of business and in material cases of detrimental conduct of individual or business.

Negative contribution of the Bank and / or relevant line of business is defined as:

### Conduct related:

- i) If an employee engages in certain detrimental conduct, including mis-selling practices, manipulation of interest rate benchmarks, illegal activity, breach of a fiduciary duty, etc. that causes material financial or reputational harm to the Bank.
- ii) If the award was based on a material misrepresentation by the employee.
- iii) If there is reasonable evidence of employee malfeasance and breach of integrity inviting disciplinary actions.
- iv) Violation of Anti Hedging and Anti Pledging Policy or Code of Conduct for Prevention of Insider Trading.

### Risk related and others:

- i) If the awarded performance-based variable pay was granted on a deliberately erroneous foundation or an incorrect decision made due to gross negligence not considered as errors of judgement.
- ii) If the employee who is reasonably expected to be aware of the failure, misconduct or weakness in approach that contributed to the failure, improperly or with gross negligence failed to identify, assess, report or escalate in a timely manner.
- iii) If the performance, decisions or actions taken leads to the Bank or the relevant business unit suffering a significant material downturn in its financial performance.
- iv) If the RBI assessed divergence in the Bank's provisioning for Non-Performing Assets (NPAs) or asset classification exceeds the prescribed threshold for public disclosure, the bank shall not pay the unvested portion of the variable compensation for the assessment year under malus clause. Further, in such a situation, there shall not be any increase in variable pay for the assessment year. In case the bank's post assessment Gross NPAs are less than 2.0%, these restrictions will apply only if the criteria for public disclosure are triggered either on account of divergence in provisioning or both provisioning and asset classification.
- v) In the event of a material restatement, correction or amendment of the Bank's financial results for the relevant period.

### F) Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the bank utilizes and the rationale for using these different forms.

The Bank presently utilizes only one form of variable remuneration, viz., cash bonus, which is linked to corporate performance, business performance and individual performance ensuring differential pay based on the performance. ESOP, as referred in Note 18.31 is linked to continuous service with the Bank.

### Quantitative disclosures :

The quantitative disclosures pertaining to the MD & CEO, WTDs & MRTs, for the year ended March 31, 2024 and March 31, 2023 are given below:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
a) i) Number of meetings held by the Remuneration Committee during the year.	7	6
ii) Remuneration paid to its members (sitting fees)	₹ 1,260,000	₹ 1,140,000
b) Number of employees having received a variable remuneration award during the year (Active & Inactive).	23	7
c) Number and total amount of sign on awards made during the year.	Nil	Nil
d) Details of guaranteed bonus, if any, paid as joining / sign on bonus.	Nil	Nil
e) Details of severance pay, in addition to accrued benefits, if any.	Nil	Nil
f) Total amount of outstanding deferred remuneration, split into cash, shares and share linked instruments and other forms.	₹ 2.96 Cr (Cash) Unvested ESOP (Shares)-54,34,704	₹ 5.00 Cr (Cash) Unvested ESOP (Shares)-3,38,042
g) Total amount of deferred remuneration paid out in the year (paid in cash)	₹ 0.79 Cr (Cash)	₹ 0.092 Cr (Cash)
h) Breakdown of amount of remuneration awards for the year to show fixed and variable, deferred and non deferred.	Fixed- ₹ 30.55 Crore, Variable- ₹ 4.29 Crore, Non-deferred- ₹ 3.49 Crore, Deferred- ₹ 0.79 Crore	Fixed- ₹ 24.45 Crore, Variable- ₹ 0.38 Crore, Non-deferred- ₹ 0.38 Crore, Deferred- ₹ 5.00 Crore



# Schedules

forming part of the Balance sheet as at March 31, 2024

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
i) Shares granted under ESOP	3,941,125	1,783,116
j) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and / or implicit adjustments.	Nil	Nil
k) Total amount of reductions during the year due to ex post explicit adjustments.	Nil	Nil
l) Total amount of reductions during the year due to ex post implicit adjustments.	Nil	Nil
m) *Number of MRTs identified.	25	23
n) (i) Number of cases where malus has been exercised.	Nil	Nil
(ii) Number of cases where clawback has been exercised.	Nil	Nil
(iii) Number of cases where both malus and clawback have been exercised.	Nil	Nil
o) The mean pay for the bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay.	The mean pay for the Bank as a whole (excluding sub-staff)- ₹ 0.0406 crore. The deviation of the pay of MD from the mean pay- ₹ 3.31 crore. The deviation of the pay of ED from the mean pay - ₹ 2.37 crore. The deviation of the pay of ED from the mean pay- ₹ 2.90 crore.	The mean pay for the Bank as a whole (excluding sub-staff)- ₹ 0.0350 crore. The deviation of the pay of each of its WTDs from the mean pay- 1.45%

\* As on year ended March 31,2024 and March 31,2023 number of active MRTs are 25 and 17 respectively.

## 18.20 Disclosure relating to Securitisation

The Bank has not originated any securitisation transactions during the year ended March 31, 2024 and March 31, 2023.

## 18.21 Disclosure on Derivatives

### (i) Derivatives

For the financial year ended March 31,2024 and March 31,2023, the Bank has not entered into any derivative transactions like Exchange Traded Derivatives or Options, other than Foreign Exchange Forward Contracts for the purpose of Trading / Balance Sheet Management. However, at later stage, Bank may place a separate policy on dealing in derivatives before the Board based on extant regulatory guidelines and internal capabilities, on approval of which derivative transactions may be undertaken.

### (ii) Credit default swaps

The Bank has not transacted in credit default swaps during the year ended March 31,2024 and March 31, 2023.

## 18.22 Off-balance Sheet SPVs sponsored

The Bank has not sponsored any special purposes vehicle which is required to be consolidated as per accounting norms.

## 18.23 Transfer to Depositor education and awareness fund (DEA Fund)

The details of amount transferred to Depositor Education and Awareness Fund during the year ended March 31, 2024 and March 31, 2023:

(₹ in crore)

Sr. No	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
i)	Opening balance of amounts transferred to DEA Fund	0.02	-
ii)	Add: Amounts transferred to DEA Fund during the year	0.04	0.02
iii)	Less: Amounts reimbursed by DEA Fund towards claims	-	-
iv)	Closing balance of amounts transferred to DEA Fund	0.06	0.02

# Schedules

forming part of the Balance sheet as at March 31, 2024

## 18.24 Transfer to Investor education and protection fund (IEPF)

There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Bank during the years ended March 31, 2024 and March 31, 2023.

## 18.25 The key business ratios and other information is set out below :

A) Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest income as a percentage to working funds <sup>1</sup>	11.80%	10.89%
Non-interest income as a percentage to working funds <sup>1</sup>	1.35%	1.69%
Cost of Deposits	6.49%	5.58%
Net Interest Margin <sup>5</sup>	7.35%	7.21%
Operating profit as a percentage to working funds <sup>1,2</sup>	4.15%	4.86%
Return on assets <sup>1</sup>	1.39%	1.50%
Profit per employee (₹ in crore) <sup>3</sup>	0.030	0.034
Business (deposits less inter-bank deposits plus advances) per employee (₹ in crore) <sup>3,4</sup>	3.19	3.02

- Working funds represent average of total assets as reported to Reserve Bank of India in Form X under Section 27 of the Banking Regulation Act, 1949, during the year ended March 31, 2024 and March 31, 2023.
- Operating profit is profit for the year before considering provisions and contingencies.
- Productivity ratios are based on average number of employees for the year.
- Business per employee (Deposits plus Gross Advances (on book), inter-bank deposits shall be excluded.
- Net interest income/Average earning assets. Net interest income is the difference of interest income and interest expense. Average earning assets are average of balance of interest earning assets.

## B) Marketing and distribution

During the year ended March 31, 2024 and March 31, 2023, the Bank has received ₹ 33.06 crore (Previous Year ₹ 161.57 crore) in respect of the marketing and distribution function (excluding bancassurance business) undertaken by them.

## C) Payment of DICGC Insurance Premium

		(₹ in crore)	
Sr. No	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
i)	Payment of DICGC Insurance Premium*	129.89	111.68
ii)	Arrears in payment of DICGC premium	-	-

\* The amount includes GST.

## 18.26 Green Deposits raised by the bank

The Bank has not raised green deposits on or after June 1, 2023 based on the Framework for the acceptance of Green deposits issued by RBI.

## 18.27 Disclosure on Liquidity Coverage Ratio

### (A) Qualitative disclosure

The Bank has adopted the Basel III framework on liquidity standards as prescribed by RBI and has put in place requisite systems and processes to enable periodical computation and reporting of the Liquidity Coverage Ratio (LCR). The Risk department computes the LCR and reports the same to the Asset Liability Management Committee (ALCO) every month for review.

The Bank follows the criteria laid down by RBI for calculation of High Quality Liquid Assets (HQLA), gross outflows and inflows within the next 30-day period. HQLA predominantly comprises Government securities in excess of minimum SLR requirement viz. Treasury Bills, Central and State Government securities and excess of minimum cash reserve ratio (CRR).

The Board of Directors has the overall responsibility for management of liquidity risk. The Board at overall level decides the strategy, policies and procedures of the bank to manage liquidity risk in accordance with the liquidity risk tolerance/limits. The Board has constituted Risk Management Committee, which reports to the Board, and consist of Managing Director and certain other Board members. The Committee is responsible for evaluating the overall risks faced by the bank including liquidity risk.

# Schedules

forming part of the Balance sheet as at March 31, 2024

## 18.27 Disclosure on Liquidity Coverage Ratio

### (b) Quantitative Disclosure as on March 31, 2024

(₹ in crore)

Particulars	Day end Average for quarter ended June 30, 2023			Day end Average for quarter ended September 30, 2023			Day end Average for quarter ended December 31, 2023			Day end Average for quarter ended March 31, 2024		
	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Value (Average)
<b>High Quality Liquid Assets</b>												
1) Total High Quality Liquid Assets (HQLA)			34,753.15			32,984.02			30,870.65			29,066.00
<b>Cash Outflows</b>												
2) Retail Deposits and deposits from small business customers, of which:												6,508.99
a) Stable deposits			168.47			170.78			185.40			354.57
b) Less stable deposits			5,901.97			6,193.89			6,388.28			6,154.42
3) Unsecured wholesale funding, of which:												15,314.50
a) Operational deposits (all counterparties)			-			-			-			-
b) Non-operational deposits (all counterparties)			13,145.60			13,762.87			13,257.77			15,314.50
c) Unsecured debt			-			-			-			-
4) Secured wholesale funding			-			-			-			-
5) Additional requirements, of which:			1,994.12			1,454.46			583.39			475.13
a) Outflows related to derivative exposures and other collateral requirements*	0.08	0.08	0.08	1.57	1.57	1.57	0.07	0.07	0.07	0.02	0.02	0.02
b) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-	-	-	-	-
c) Credit and liquidity facilities	7,180.96	1,994.04	1,994.04	5,925.22	1,452.89	1,452.89	3,720.12	583.32	4,579.45	475.11		
6) Other contractual funding obligations	3,026.53	3,026.53	3,026.53	4,548.97	4,548.97	4,548.97	4,192.80	4,192.80	4,558.80	4,558.80		
7) Other contingent funding obligations	1,902.73	66.82	66.82	2,180.39	75.69	75.69	2,150.65	75.15	2,168.82	74.91		
8) Total Cash outflows			24,135.04			26,035.88			24,497.39			26,932.33
<b>Cash Inflows</b>												
9) Secured lending (eg. Reverse repos)	2,250.99	-	-	555.36	-	1,099.70	-	-	488.99	-	-	-
10) Inflows from fully performing exposures	7,649.31	4,807.81	4,807.81	7,002.53	4,208.97	7,535.39	4,723.19	4,723.19	7,182.33	4,436.12		
11) Other cash inflows	317.16	317.16	317.16	486.97	486.97	486.97	221.72	221.72	124.67	124.67		
12) Total Cash Inflows	10,217.46	5,124.97	5,124.97	8,044.86	4,695.94	8,856.81	4,944.91	4,944.91	7,795.99	4,560.79		
13) Total HQLA			34,753.15			32,984.02			30,870.65			29,066.00
14) Total Net Cash outflow			19,010.07			21,339.94			19,552.48			22,371.55
15) Liquidity Coverage Ratio(%)			182.81%			154.56%			157.89%			129.92%

\*Item shown under derivative exposure relates to Fx swaps

# Schedules

forming part of the Balance sheet as at March 31, 2024

## (c) Quantitative Disclosure as on March 31, 2023

Particulars	Day end Average for quarter ended June 30, 2022			Day end Average for quarter ended September 30, 2022			Day end Average for quarter ended December 31, 2022			Day end Average for quarter ended March 31, 2023		
	Unweighted Value (Average)	Total Weighted Value (Average)	Total (Average)	Unweighted Value (Average)	Total Weighted Value (Average)	Total (Average)	Unweighted Value (Average)	Total Weighted Value (Average)	Total (Average)	Unweighted Value (Average)	Total Weighted Value (Average)	Total (Average)
<b>High Quality Liquid Assets</b>												
1) Total High Quality Liquid Assets (HQLA)	-	29,096.37	-	-	26,053.65	-	-	29,138.27	-	-	28,329.34	-
<b>Cash Outflows</b>												
2) Retail Deposits and deposits from small business customers, of which:	50,795.54	4,863.76	53,105.07	50,91.50	5,091.50	54,715.18	5,303.13	57,373.37	5,570.73	5,570.73	5,570.73	5,570.73
a) Stable deposits	4,315.92	215.80	4,380.09	219.00	3,367.75	168.39	3,332.05	166.60	166.60	166.60	166.60	166.60
b) Less stable deposits	46,479.62	4,647.96	48,724.98	4,872.50	51,347.43	5,134.74	54,041.32	5,404.13	5,404.13	5,404.13	5,404.13	5,404.13
3) Unsecured wholesale funding, of which:	26,872.40	17,465.73	23,899.34	17,097.77	22,505.12	16,922.38	21,024.08	15,617.20	15,617.20	15,617.20	15,617.20	15,617.20
a) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-	-	-	-	-
b) Non-operational deposits (all counterparties)	26,872.40	17,465.73	23,899.34	17,097.77	22,505.12	16,922.38	21,024.08	15,617.20	15,617.20	15,617.20	15,617.20	15,617.20
c) Unsecured debt	-	-	-	-	-	-	-	-	-	-	-	-
4) Secured wholesale funding	-	-	-	-	-	-	-	-	-	-	-	-
5) Additional requirements, of which:	2,707.58	395.62	3,055.10	530.50	3,666.25	708.83	4,413.78	965.36	965.36	965.36	965.36	965.36
a) Outflows related to derivative exposures and other collateral requirements*	0.03	0.03	0.88	0.88	1.05	1.05	4.17	4.17	4.17	4.17	4.17	4.17
b) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-	-	-	-	-
c) Credit and liquidity facilities	2,707.55	395.59	3,054.22	529.62	3,665.20	707.78	4,409.61	961.19	961.19	961.19	961.19	961.19
6) Other contractual funding obligations	2,444.10	2,444.10	2,206.12	2,206.12	2,128.03	2,128.03	2,457.16	2,457.16	2,457.16	2,457.16	2,457.16	2,457.16
7) Other contingent funding obligations	623.83	18.71	629.87	19.00	1,222.18	43.87	1,655.34	59.48	59.48	59.48	59.48	59.48
8) <b>Total Cash outflows</b>	<b>25,187.92</b>	<b>25,187.92</b>	<b>24,944.89</b>	<b>24,944.89</b>	<b>25,106.24</b>	<b>25,106.24</b>	<b>24,669.93</b>	<b>24,669.93</b>	<b>24,669.93</b>	<b>24,669.93</b>	<b>24,669.93</b>	<b>24,669.93</b>
<b>Cash Inflows</b>												
9) Secured lending (eg. Reverse repos)	2,209.97	-	274.81	-	184.35	-	362.60	-	-	-	-	-
10) Inflows from fully performing exposures	5,702.68	3,513.45	5,821.44	3,641.72	6,105.02	3,654.73	6,784.61	4,269.95	4,269.95	4,269.95	4,269.95	4,269.95
11) Other cash inflows	57.60	57.60	256.98	256.98	79.12	79.12	245.93	245.93	245.93	245.93	245.93	245.93
12) <b>Total Cash Inflows</b>	<b>7,970.25</b>	<b>3,571.05</b>	<b>6,353.23</b>	<b>3,898.70</b>	<b>6,368.49</b>	<b>3,733.85</b>	<b>7,393.14</b>	<b>4,515.88</b>	<b>4,515.88</b>	<b>4,515.88</b>	<b>4,515.88</b>	<b>4,515.88</b>
13) Total HQLA	29,096.37	29,096.37	26,053.65	26,053.65	29,138.27	29,138.27	28,329.34	28,329.34	28,329.34	28,329.34	28,329.34	28,329.34
14) Total Net Cash outflow	21,616.87	21,616.87	21,046.19	21,046.19	21,372.39	21,372.39	20,154.05	20,154.05	20,154.05	20,154.05	20,154.05	20,154.05
15) Liquidity Coverage Ratio(%)	<b>134.60%</b>	<b>134.60%</b>	<b>123.79%</b>	<b>123.79%</b>	<b>136.34%</b>	<b>136.34%</b>	<b>140.56%</b>	<b>140.56%</b>	<b>140.56%</b>	<b>140.56%</b>	<b>140.56%</b>	<b>140.56%</b>

\*Item shown under derivative exposure relates to FX swaps

# Schedules

forming part of the Balance sheet as at March 31, 2024

## 18.28 Maturity pattern of certain items of assets and liabilities

(₹ in crore)

Particulars	Day 1	2 To 7 Days	8 To 14 Days	15 To 30 Days	31 Days To 2 Months	Over 2 Months And To 3 Months	Over 3 Months And Up To 6 Months	Over 6 Months And Up To 1 Year	Over 1 Year And Up To 3 Years	Over 3 Years And Up To 5 Years	Over 5 Years	Total
<b>Liabilities</b>												
Borrowings *	-	2.48	-	860.53	1,125.97	4,104.49	4,164.50	4,344.74	1,206.15	464.75	97.91	16,371.52
	-	(4,447.46)	-	(678.50)	-	(333.33)	(2,412.27)	(5,869.25)	(10,112.16)	(445.06)	(412.79)	(24,710.82)
Deposits*	3,859.50	3,540.73	784.68	837.19	2,479.06	3,107.09	14,181.30	46,678.25	57,091.46	2,057.57	585.16	135,201.99
	(1,725.25)	(2,516.96)	(922.72)	(826.42)	(1,818.10)	(1,396.88)	(11,303.05)	(25,144.14)	(58,972.62)	(2,797.07)	(641.48)	(108,064.69)
Foreign Currency Liabilities #	-	-	-	417.03	1,125.97	1,351.16	3,311.68	5.84	6.78	0.67	-	6,219.13
	-	-	-	-	-	(0.11)	(0.53)	(20.92)	(9.47)	-	-	(31.03)
<b>Assets</b>												
Advances	1,101.18	2,253.05	2,794.82	2,163.47	5,221.09	5,271.14	14,491.13	22,305.44	33,092.37	7,358.79	25,084.30	121,136.78
	(967.48)	(2,863.99)	(1,684.04)	(2,568.67)	(6,116.20)	(6,270.25)	(18,209.13)	(19,101.28)	(23,525.03)	(3,461.64)	(19,989.06)	(104,756.77)
Investment	-	9.97	-	180.42	3.83	3.84	1,972.40	414.26	2,583.22	3,760.89	20,358.75	29,287.58
	-	(167.95)	(48.73)	(155.81)	(1,552.22)	(747.37)	(786.82)	(1,973.26)	(2,274.88)	(4,213.53)	(20,445.32)	(32,365.89)
Foreign Currency Assets #	13.22	-	-	-	-	-	-	-	37.53	-	-	50.75
	(10.86)	-	-	-	-	-	-	-	(24.65)	-	-	(35.51)

\* Deposits & Borrowings includes Foreign Currency Liabilities which is shown separately

Classification of non-maturing 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.

Previous year figures are shown in "( )".

# Excludes off-balance sheet assets and liabilities & Includes Foreign currency borrowings

## Schedules

forming part of the Balance sheet as at March 31, 2024

### 18.29 Details of Priority sector lending certificates (category wise) sold and purchased:

(₹ in crore)

Sl No.	Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
		Purchase	Sale	Purchase	Sale
i)	PSLC – Agriculture	1,500.00	-	-	2,500.00
ii)	PSLC- Small & Marginal farmers(SFMF)	6,975.00	-	3,880.00	1,500.00
iii)	PSLC- Micro Enterprises	4,700.00	2,750.00	2,450.00	-
iv)	PSLC – General	-	10,000.00	-	11,175.00

### 18.30 Details of Inter-Bank Participation Certificate (IBPC) transactions

(₹ in crore)

Sl No.	Particulars	As at March 31, 2024		As at March 31, 2023	
		Sale	Purchase	Sale	Purchase
i)	Outstanding value of aggregate IBPCs entered	-	2,606.63	-	2,153.77
ii)	Outstanding value of aggregate consideration received/paid	-	2,606.63	-	2,153.77
iii)	Aggregate gain recorded	-	-	-	-
iv)	IBPCs outstanding [including principal amount of ₹ NIL (March 31, 2023 : ₹ NIL) collected against the pool sold and not yet due for payment and included under other liabilities]	-	-	-	-

### 18.31 Employee Stock Option Scheme (ESOS)

On July 26, 2017 the board of directors approved the Bandhan Bank Employee Stock Option Plan Series 1 for issue of stock options to eligible employees and directors of the Bank.

The Shareholders of the Bank at the meeting held on November 23, 2017 has approved the Employee Stock Option Plan Series 1 and the grant of Employee Stock Option to the employees of the Bank. The said approval accords the Board of Directors of the Bank or any Committee including the Nomination and Remuneration Committee, which the Board has constituted, to create, offer, and grant at any time to permanent employees of the Bank, including any Director of the Bank, whether whole-time or otherwise but excluding Promoter(s), Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares, employee stock options from time to time in one or more tranches.

This plan was framed in accordance with the SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time and as applicable at the time of the grant. The accounting for the stock options has been in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 to the extent applicable.

Employee Stock Option Plan Series 1 provides for the issuance of options at the recommendation of the Nomination and Remuneration Committee of the Board ('NRC') at the closing price on the working day immediately preceding the date when options are granted. The closing price of the Bank's equity share on an Indian stock exchange with the highest trading volume as of the working day preceding the date of grant set forth by the NRC at the time of grant. The period in which the options may be exercised cannot exceed five years from date of expiry of vesting period. However, if the participant's employment terminates due to retirement (including pursuant to any early/ voluntary retirement scheme), the whole of the unvested options shall vest on the first vesting date relating to the said grant, immediately following the date of superannuation. During the years ended March 31, 2024 and March 31, 2023, no modifications were made to the terms and conditions of ESOPs as approved by the NRC.



# Schedules

forming part of the Balance sheet as at March 31, 2024

## Activity in the options outstanding under the various employee stock option plans as at March 31, 2024:

Sl No.	Particulars	Number of options	Weighted average exercise price (₹ )
i)	Options outstanding, beginning of year	30,785,151	356.00
ii)	Granted during the year	14,999,423	250.84
iii)	Exercised during the year*	115,030	180.00
iv)	Forfeited / Lapsed during the year**	5,697,704	350.96
v)	Options outstanding, end of year	39,971,840	302.40
vi)	Options exercisable	14,750,897	380.06

\*Includes 249 shares against which application money was received but pending allotment to ₹ 0.004 crore

\*\* 6588 forfeited options have not been considered as the same has been reported in last FY.

## Activity in the options outstanding under the various employee stock option plans as at March 31, 2023:

Sl No.	Particulars	Number of options	Weighted average exercise price (₹ )
i)	Options outstanding, beginning of year	22,645,881	376.99
ii)	Granted during the year	11,127,127	313.60
iii)	Exercised during the year*	80,611	180.00
iv)	Forfeited / Lapsed during the year	2,907,246	362.10
v)	Options outstanding, end of year	30,785,151	356.00
vi)	Options exercisable	11,672,459	397.30

\*Includes 18,487 shares against which application money was received but pending allotment to ₹ 0.33 crore

## The following table summarises the information about stock options outstandings as at March 31, 2024:

Sl No.	Plan	Range of exercise price (Rs)	Number of shares arising out of options	Weighted average remaining life of options (in years)	Weighted average exercise price (₹ )
1	Plan Series 1	180.00 to 539.22	39,971,840	5.18	302.40

## The following table summarises the information about stock options outstandings as at March 31, 2023:

Sl No.	Plan	Range of exercise price (Rs)	Number of shares arising out of options	Weighted average remaining life of options (in years)	Weighted average exercise price (₹ )
1	Plan Series 1	180.00 to 539.22	30,785,151	5.13	356.00

## Fair value methodology

The weighted average fair value of stock option granted during the year was ₹ 126.91 . The fair value of options used to compute the proforma net profit and earnings per equity share have been estimated on the dates of each grant using the binomial option-pricing model. The Bank estimates the volatility based on the historical prices of its equity shares. The various assumptions considered in the pricing model for the ESOPs granted during the year ended March 31, 2024 are:

Particulars	As at March 31, 2024
Dividend yield (%)	0-0.42%
Expected volatility (%)	36.99%- 51.05%- 50.53%- 49.70%
Risk-free interest rate (%)	6.75%, 6.78%, 6.82%, 6.85%
Expected remaining life of the options (yrs)	0.47- 8.95 yrs

The expected volatility reflects the assumption that is indicative of future trends, which may also not necessarily be the actual outcome.

## Schedules

forming part of the Balance sheet as at March 31, 2024

The Bank measures the cost of ESOP using the intrinsic value method. Had the Bank used the fair value model to determine compensation, its profit after tax and earnings per share as reported would have changed as indicated below:

(₹ in crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Profit after tax as reported	2,229.56	2,194.64
Add: ESOP cost using the intrinsic value method	-	-
Less: ESOP cost (net of taxes) using the fair value method *	74.04	52.98
Proforma profit after tax	2,155.52	2,141.65
Weighted Average Number of equity shares	1,610,889,761	1,610,809,940
Weighted Average Number of equity shares (including dilutive potential equity share)	1,611,074,329	1,611,088,297
<b>Earnings Per Share</b>		
Basic		
- As reported	13.84	13.62
- Proforma	13.38	13.30
Diluted		
- As reported	13.84	13.62
- Proforma	13.38	13.30

\* In accordance with the RBI circular RBI/2021-22/95 DOR.GOV.REC.44 /29.67.001 /2021-22 “Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff – Clarification” dated August 30, 2021, Share-linked instruments granted to Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff after the accounting period ending March 31, 2021, are fair valued on the date of grant, using Black-Scholes model instead of Intrinsic value method. As a result, ‘Employees’ cost’ for the year ended March 31, 2024 is higher by ₹ 35.15 crore and the same is therefore not considered in above table.

### 18.32 Corporate Social Responsibility

- a) Gross amount required to be spent by the Bank during the year ended is ₹ 39.80 crore (Previous year ended March 31, 2023: ₹ 53.37 crore\*\*)
- b) The following table sets forth, for the periods indicated, the amount spent by the Bank on CSR related activities;

(₹ in crore)

Sl No.	Particulars	Year ended March 31, 2024			Year ended March 31, 2023		
		In Cash *	Yet to be paid in Cash	Total	In Cash **	Yet to be paid in Cash	Total
i)	Construction/ acquisition of any assets	-	-	-	-	-	-
ii)	On purpose other than (i) above	40.05	-	40.05	53.37	-	53.37

\*Includes amount required to be spent on surplus generated of ₹ 0.25 crore towards Bank Interest in project account

\*\*The amount of ₹ 53.37 crore includes the amount of ₹ 3.92 crore paid in cash from the previous year ended March 31, 2022

# Schedules

forming part of the Balance sheet as at March 31, 2024

## 18.33 Disclosure under Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014

As part of the normal banking business, the Bank grants loans and advances to its borrowers with permission to lend/invest or provide guarantee/security in other entities identified by such borrowers or on the basis of the basis of security/guarantee provided by the co-borrower. Similarly, the Bank may accept funds from its customers, who may instruct the Bank to lend/invest/provide guarantee or security or the like against such deposit in other entities identified by such customers. These transactions are part of Bank's normal banking business, which is conducted after exercising proper due diligence including adherence to "Know Your Customer" guidelines.

Other than the nature of transactions described above:

- No funds have been advanced or loaned or invested by the Bank to or in any other person(s) or entity(ies) ("Intermediaries") with the understanding that the Intermediary shall lend or invest in party identified by or on behalf of the Bank (Ultimate Beneficiaries).
- The Bank has not received any fund from any party(s) (Funding Party) with the understanding that the Bank shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## 18.34 Disclosure of Items that exceeds one percent under respective categories:

Other expenditure includes IT Operating expenses amounting to ₹ 305.13 crore (previous year: ₹ 218.34 crore) exceeding 1% of the total income of the Bank.

**18.35** Other Assets includes Investment in RIDF (Rural Infrastructure Development Fund) amounting to ₹ 6,244.61 crore (previous year ended March 31, 2023 ₹ 6,797.36 crore)

**18.36** Remuneration by way of sitting fees paid to the Non-Executive Directors for attending meeting of the Board and its committees during the year ended March 31, 2024 amounting to ₹ 3.38 crore (previous year: ₹ 3.04 crore).

## 18.37 Accounting Software Used for maintenance of Books of Accounts

As per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014 the Bank uses only such accounting software for maintaining its books of account that have a feature of recording audit trail of each and every transaction creating an edit log of each change made in the books of account along with the date when such changes were made within such accounting software. This feature of recording audit trail has operated throughout the year and was not disabled, tampered with during the year, except-

- the audit trail feature was not enabled throughout the year at the database level in respect of two accounting software(s) to log any direct data changes and in case of one accounting software audit trail was enabled at database level from February 18, 2024
- for two sunset software(s) which were discontinued during the year.

## 18.38 Provision for credit card and debit card reward points

The Bank is not providing any reward points on debit & credit cards during the year ended March 31, 2024 and March 31, 2023.

## 18.39 Accounts restructured under Micro, Small and Medium Enterprises (MSME) sector

The following table sets forth, for the periods indicated, the details of accounts restructured under MSME sector as per RBI circular no. FIDD.MSME & NFS.BC.No. 21/06.02.31/2015-16 dated March 17, 2016 subsequent changes thereafter.

At March 31, 2024		At March 31, 2023	
Number of accounts restructured	Amount Outstanding	Number of accounts restructured	Amount Outstanding
NIL	NIL	NIL	NIL

## Schedules

forming part of the Balance sheet as at March 31, 2024

### 18.40 Resolution of Stressed Assets

During the year ended March 31, 2024 and March 31, 2023, the Bank has not implemented any resolution plan under the prudential framework for stressed assets issued as per RBI/2018-19/ 203 DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets

### 18.41 Details of Accounts subjected to Restructuring

Particulars		Agriculture and allied activities		Corporates (excluding MSME)		Retail (excluding agriculture and MSME)		Total	
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Standard	Number of Borrowers	-	-	-	-	11	-	11	-
	Gross Amount (in crore)	-	-	-	-	0.04	-	0.04	-
	Provision Held (in crore)	-	-	-	-	0.002	-	0.002	-
Substandard	Number of Borrowers	-	-	-	-	-	-	-	-
	Gross Amount (in crore)	-	-	-	-	-	-	-	-
	Provision Held (in crore)	-	-	-	-	-	-	-	-
Doubtful	Number of Borrowers	-	-	-	-	-	-	-	-
	Gross Amount (in crore)	-	-	-	-	-	-	-	-
	Provision Held (in crore)	-	-	-	-	-	-	-	-
Total	Number of Borrowers	-	-	-	-	11	-	11	-
	Gross Amount (in crore)	-	-	-	-	0.04	-	0.04	-
	Provision Held (in crore)	-	-	-	-	0.002	-	0.002	-

### 18.42 Details of payments to Auditors

(₹ in crore)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Statutory Audit Fees	1.50	1.27
Others	1.34	0.92

**18.43** Accounting policies have been consistently applied by the Bank except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Any circular / direction issued by the RBI is implemented prospectively when it becomes applicable.

### 18.44 Implementation of IFRS converged Indian Accounting Standards (Ind AS)

The RBI issued a circular in February, 2016 requiring banks to implement Indian Accounting Standards ('Ind AS') and prepare Ind AS financial statements with effect from April 01, 2018. In line with the RBI guidelines on Ind AS implementation, the Bank has formed a Steering Committee comprising members from the concerned functional areas. As advised by the RBI, the Bank has also submitted Proforma Ind AS financial statements every half year to the RBI.

# Schedules

forming part of the Balance sheet as at March 31, 2024

Further, RBI vide its communication dated August 08, 2021, had advised the bank to submit Proforma Ind AS financial statements every quarter.

Further on January 16, 2023 RBI released a discussion paper on the Expected Loss (EL) based approach for loan loss provisioning by banks to formulate a principle based guidelines supplemented by regulatory backstops wherever necessary.

However, the RBI in its press release issued on March 22, 2019 has deferred the applicability of Ind AS till further notice for Scheduled Commercial Banks.

The Bank has made a diagnostic study to identify the gaps, process and system changes required to implement Ind AS and is in the process of implementing necessary changes in its IT system and other processes. The Bank is regularly holding workshops and training for its staff.

**18.45** Master Direction on Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023 issued by Reserve Bank of India vide their circular RBI/DOR/2023-24/104 DOR.MRG.36/21.04.141/2023-24 dated September 12, 2023

Pursuant to the Master Direction on Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023 issued by Reserve Bank of India vide their circular RBI/DOR/2023-24/104 DOR.MRG.36/21.04.141/2023-24 dated September 12, 2023, Bank confirms complying to the Master Direction and implementing the relevant changes in the Core Treasury system, Calypso, effective April 01, 2024.

The revised Investment Policy was placed before the Board and approved on March 20, 2024.

**18.46** During previous year, the Bank had received guarantee claim of ₹ 916.61 crore from Credit Guarantee Fund for Micro Units (CGFMU) set up by Government of India and guarantee claim of ₹ 161.13 crore (₹ 136.82 crore received during the year) under Emergency Credit Line Guarantee Scheme (ECLGS) against certain guaranteed loan accounts.

Subsequently, the Bank claimed ₹ 1,296.32 crore from CGFMU in respect of other guaranteed loans. During the last quarter, basis special audit of sample documents, the National Credit Guarantee Trustee Company Ltd. (NCGTC), being trustee of CGFMU and ECLGS, asked the Bank to Show Cause as to why all claims should not be rejected. The Bank responded to the SCN and is engaging with the NCGTC. The NCGTC asked for a forensic audit of portfolio covered under the CGFMU and ECLGS schemes by an external agency. The Bank has fully cooperated with the external agency and has provided all related information. As a prudent measure, the Bank has technically written-off the said loans in accordance with the Bank's policy. The approved claim amount would be accounted on receipt.

**18.47** Previous year figures have been regrouped/reclassified, wherever necessary, to conform to current year classification.

As per our report of even date

For and on behalf of Board of Directors

**For Bandhan Bank Limited**

**For M M NISSIM & CO LLP**  
Chartered Accountants  
Firm Registration Number :  
107122W / W100672

**For SINGHI & CO**  
Chartered Accountants  
Firm Registration Number :  
302049E

**Chandra Shekhar Ghosh**  
Managing Director & CEO  
Kolkata  
DIN: 00342477

**Anup Kumar Sinha**  
Non-Executive Chairman  
Kolkata  
DIN: 08249893

**Vijay Nautamlal Bhatt**  
ACB Chairman &  
Independent Director  
Kolkata  
DIN: 00751001

**Navin Kumar Jain**  
Partner  
Membership Number : 090847  
Place : Kolkata  
Date : May 17, 2024

**Ankit Dhelia**  
Partner  
Membership Number : 069178  
Place : Kolkata  
Date : May 17, 2024

**Ratan Kumar Kesh**  
Executive Director & COO  
Kolkata  
DIN: 10082714

**Rajinder Kumar Babbar**  
Executive Director & CBO  
Kolkata  
DIN: 10540386

**Rajeev Mantri**  
Chief Financial Officer  
Kolkata

**Indranil Banerjee**  
Company Secretary  
Kolkata

## Corporate Information

### Registered & Head Office

**Regd. Office:** DN-32, Sector V, Salt Lake, Kolkata - 700 091

**Head Office:** Floors 12-14, Adventz Infinity@5,  
BN 5, Sector V, Salt Lake City, Kolkata - 700 091

**Tel. No.:** 91 (33) 6609 0909

**Email ID:** investors@bandhanbank.com

**Website:** www.bandhanbank.com

### Corporate Identity Number (CIN)

**L67190WB2014PLC204622**

### Listed with Scrip Name

BSE Scrip Code: **541153**

NSE Symbol: **BANDHANBNK**

### Registrars & Transfer Agents

#### KFin Technologies Limited

Selenium Building, Tower-B, Plot Nos. 31 & 32,  
Financial District, Nanakramguda, Serilingampally,  
Hyderabad, Rangareddi, Telangana, India - 500 032

**Toll Free No.:** 1800 309 4001

**Email ID:** einward.ris@kfintech.com

**Website:** www.kfintech.com

### Joint Statutory Auditors

#### M M Nissim & Co LLP, Chartered Accountants

Barodawala Mansion,  
B - Wing, 3<sup>rd</sup> Floor,  
81 Dr. Annie Besant Road,  
Worli, Mumbai - 400 018

#### M/s. Singhi & Co., Chartered Accountants

161, Sarat Bose Road,  
Kolkata - 700 026

### Secretarial Auditor

#### CS Hansraj Jaria, Practicing Company Secretary

36, Abinash Sashmal Lane, Belegghata, Phoolbagan,  
Near Pawanputra Hotel, Kolkata - 700 010

**Tel. No.:** +91 (33) 4600 9667 | **Email ID:** hansrajjaria@gmail.com

### Auditor for Certificate on Corporate Governance

#### CS Anjan Kumar Roy, Practicing Company Secretary

M/s. Anjan Kumar Roy & Co., Company Secretaries  
GR 1, Gouri Bhaban, 28A Gurupada Halder Road,  
Kolkata - 700 026

**Tel. No.:** +91 (33) 2475 0112 | **Email ID:** akroyco@yahoo.co.in





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