

## COMPANY INFORMATION

### DCB Board of Directors

Chairman (Part-time)

Mr. Nasser Munjee

Managing Director

Mr. Gautam Vir

### Directors

Mr. Amin Manekia

Ms. Nasim Devji

Mr. Narayan K. Seshadri

Mr. Anuroop Singh

Mr. Rajab A. Momin

Mr. Amir Sabuwala

Mr. Shabir Kassam

Mr. D. E. Udawadia

Mr. Sukh Dev Nayyar

### DCB Senior Management Team

Mr. Gautam Vir - *Managing Director &*

*Chief Executive Officer*

Mr. Harihar Krishnamoorthy - *Executive Vice President &*

*Head Treasury and Financial Institutions Group*

Mr. Parag Patankar - *Executive Vice President &*

*Chief Operations and Technology Officer*

Mr. Praveen Kutty - *Executive Vice President &*

*Head Consumer Banking*

Mr. Pravin Batra - *Executive Vice President &*

*Head Corporate and Business Banking Group*

Mr. R. Venkatesh - *Executive Vice President &*

*Head Human Capital*

Mr. Susheel Kak - *Executive Vice President &*

*Chief Credit and Risk Officer*

### Company Secretary

Mr. H. V. Barve

### DCB Statutory Auditors

M/s. N. M. Rajji & Co.

## CONTENTS

Company Information .....	1	Performance Highlights .....	16
Chairman's Statement.....	2	Directors' Report .....	17
Board of Directors .....	4	Corporate Governance.....	29
From the Managing Director & CEO .....	5	Auditors' Report .....	41
Senior Management.....	6	Balance Sheet .....	42
Stability - A Stable Foundation .....	8	Profit & Loss Account .....	43
Performance - Celebrating our Successes ..	10	Schedules .....	44
Growth - Exploring New Avenues.....	12	Cash Flow Statement.....	63
Products and Services at a Glance .....	14		

***The turnaround I wrote about last year has been consolidated this past year and we look forward to a period of stability, performance and growth.***

Dear Shareholders,

In this, the third full year of the transformation of DCB, (and my fourth Statement as Chairman), I am happy to report that the turnaround I wrote about last year has now been consolidated this past year and we look forward to a period of stability, performance and growth. These are the three pillars on which we will base our efforts in the next few years. Last year completed the capital raising programme, this year we intend to put our business model to work.

During the year, DCB grew its retail and corporate portfolio, packaged and sold some of its NPAs to ARCIL, introduced its first microfinance branch in Dediapada, Gujarat, opened eight new branches and consolidated many more, created a modern back office at Vikhroli, and met its priority sector targets established by the Reserve Bank of India. As a result, corporate growth was 45%; CASA grew by 18%; Gross NPAs were down from 5.15% to 1.54% and Net NPA's down from 1.64% to 0.66%. Operating Profit was up from Rs. 41 crores to Rs. 109.61 crores and PAT grew to Rs. 38.33 crores from Rs. 7.37 crores, a growth of 420%.

Pursuing profitable growth in a highly competitive market and a difficult lending environment is a challenge. This is further compounded by the costs involved in improving branch infrastructure, making IT investments and migrating creaky manual systems onto a modern automated IT platform, strengthening the management team and developing front office habits in a way that puts customers first. One of the major challenges we have faced is the acquisition and retention of human capital to meet the challenges the Bank faces. I am happy to report that we have managed to attract excellent talent and develop a team at all levels who have



lead the transformation of the Bank from the front; and they continue to do so. DCB has attempted to undertake all these tasks and the process will continue in the present financial year.

Last year, I stressed the need for substantial and steady growth to achieve a critical mass that would bring DCB's financial ratios in line with the market. This is beginning to happen but not at the pace we anticipated. A metaphor for the issue we are facing is that of a naval frigate. In order to play its role effectively for speed and maneuverability, it needs an engine room fully responsive for any changes in the throttle the captain may require. Being relatively small it can turn quickly and change speed effectively.

DCB has acquired an engine that was in need of constant maintenance leaving it unresponsive to the demands made upon it. The engine is presently being refurbished into one that serves its purpose: being responsive and innovative for the customer. This will give DCB the speed, reliability and maneuverability that it requires to face the current market place. Much progress has been made and this new engine is expected to be fully operational during this year. In the meantime, our speed will be calibrated to what we can absorb; with full speed being reserved for the incorporation of our fully functioning engine room. Hence the theme of this report: Stability, Performance & Growth. Growth will be predicated on certainty of performance and the stability of the mechanism which is likely to give us both sustainability and profitability.

The Banking industry has experienced unprecedented growth in the past few years. Liquidity has been relatively easy with a benign interest rate environment. All this is

about to change. International trends suggest a substantial slow down in the global economy and higher inflation; India is likely to experience similar conditions. Monetary Policy is likely to be expected to play a dual role which it may not be effective in fulfilling: managing the exchange rate as well as domestic credit.

At home, a global slow down is likely to affect domestic economic activity significantly and it is in this context that DCB is presently strategizing its responses. Since the Bank has not been exposed to the excesses of "good times" where the concept of "prudence" in financial products and retail lending was a scarce commodity, it has an opportunity to build where others are coping. Being a small bank playing a niche role, it is likely that we could take advantage of the present situation and grow our business with our chosen constituency with prudence and energy.

Last year, and the first half of the current financial year, will witness the continuation of a consolidation phase at DCB preparing all systems to drive our business model. The second half of the year will witness acceleration as we begin to accelerate at a higher quality and pace of growth. DCB has built a highly professional management team, infused much young talent at all levels of the organisation, explored its market options, calibrated its systems and is now poised to demonstrate ideas in action. I look forward to an eventful year ahead.

Nasser Munjee

April, 2008

## Board of Directors

Mr. Anuroop  
(Tony) Singh

Mr. Amir Sabuwala

Ms. Nasim Devji

Mr. R. A. Momin

Mr. Amin H. Manekia

Mr. D. E. Udawadia

Mr. Sukh Dev Nayyar

Mr. Gautam Vir

Mr. Narayan  
Seshadri

Mr. Shabir Kassam

Mr. Nasser Munjee



Dear Shareholders,

We complete another year in our history. 2007-08 has been a good year for DCB. In short our performance parameters compared to the previous year have been spectacular. Our management and our staff, DCBians as we call them are responsible for this success and deserve a lot of praise. We opened 8 new branches and started microfinance in a very small way. We further strengthened our management team and have attracted high quality staff to join the Bank. Some of them are experienced bankers who were working overseas.

Though we are proud of our turnaround and the tremendous effort of our team, we need to further strengthen our delivery and must not rest on our laurels but focus on our future and the tasks ahead of us. However, we are yet to achieve standards and financial parameters of a few leading private sector banks in this country. Over the next three years we plan to take steps to move the Bank in that direction. We are confident of converting your Bank into a long term sustainable financial service provider, which is respected in the parts of India where we decide to operate in.

We raised Rs. 280 crores of capital in August 2007 and would like to thank our new shareholders and welcome them to our family. The economic environment has changed and will continue to be much less buoyant during the course of the year. We will exercise utmost discretion as we build the bank. The Bank is focusing in improving customer service levels and training our staff which are key to our long term future.



I would also like to thank the Chairman, our Board of Directors and our Promoter AKFED for the continued support they have provided to build the Bank.

Last but not least, thanks for being a part of our family which we cherish, especially those who have been with us for long and those who see a long term future in this institution.

Gautam Vir  
Managing Director & CEO

May, 2008

## Senior Management

Mr. Praveen Kutty

Mr. Susheel Kak

Mr. H. Vijayabalan

Mr. Harihar Krishnamoorthy

Mr. Parag Patankar

Mr. Gautam Vir

Mr. Pravin Batra

Mr. R. Venkatesh



### SENIOR MANAGEMENT TEAM

Mr. Gautam Vir - Managing Director & Chief Executive Officer

Mr. Harihar Krishnamoorthy - Executive Vice President & Head Treasury and Financial Institutions Group

Mr. H. Vijayabalan - Chief Internal Auditor

Mr. Parag Patankar - Executive Vice President & Chief Operations and Technology Officer

Mr. Praveen Kutty - Executive Vice President & Head Consumer Banking

Mr. Pravin Batra - Executive Vice President & Head Corporate and Business Banking Group

Mr. R. Venkatesh - Executive Vice President & Head Human Capital

Mr. Susheel Kak - Executive Vice President & Chief Credit and Risk Officer

### **Mr. Gautam Vir – Managing Director & Chief Executive Officer**

Mr. Gautam Vir has over 29 years of banking experience across India, Asia Pacific, Middle East and Eastern Europe. He returned to India after 14 years in 2005 as Managing Director & CEO of the Development Credit Bank (DCB).

Mr. Vir is credited with turning around DCB. The Bank had a successful IPO in October 2006 against all odds.

Prior to joining DCB, he was the CEO of Hebros Bank (Sofia, Bulgaria) from 2000-2005. Mr. Vir has held very senior positions in Citibank N.A., Singapore, and Standard Chartered Bank, Dubai, where he was Head Personal Banking. He was involved in setting up the Citibank NRI business in India and after that from 1988 to 1991 was Vice President and Area Director, Eastern India, and commenced their retail business there.

Gautam Vir is an alumnus of St. Xavier's College, Kolkata, where he did his B.A. (Hons.) in Economics and also holds a P.G.D.M. from IIM Kolkata.

### **Mr. Harihar Krishnamoorthy – Executive Vice President &**

#### **Head Treasury and Financial Institutions Group**

Mr. Krishnamoorthy is a B.Com., an A.C.A., and a CAIIB. He has over 22 years of experience in banks such as the Standard Chartered Bank and Commerzbank.

### **Mr. Parag Patankar – Executive Vice President & Chief Operations and Technology Officer**

Mr. Patankar is a B.Tech. from IIT, Kanpur and has a PGDBM from IIM, Ahmedabad. He has 14 years of experience in the areas of project finance, banking and technology in organizations including ICICI Bank and 3i Infotech (formerly ICICI Infotech). Prior to joining the Bank, he was the Director, CIO & Business Head of Apnaloan.com, a company in the financial services industry co-founded by him.

### **Mr. Praveen Kutty – Executive Vice President & Head Consumer Banking**

Mr. Kutty brings with him around 16 years of banking experience. He has worked with Citibank's Indian and

international operations where he successfully managed multiple consumer banking businesses including Credit Cards, Personal Loans, Home Loans, Branch Banking and Wealth Management. As Area Director for Bangalore for Consumer Banking, he was instrumental in scaling up the remote banking Suvridha experiment into a highly profitable customer proposition. Prior to joining DCB, he was the Area Director for Citibank's NRI Business in North America. Mr. Kutty holds a B.Com and an MBA degree.

### **Mr. Pravin Batra – Executive Vice President & Head - Corporate & Business Banking Group**

Mr. Batra holds a B.E. degree and has also done his MMS. He has 20 years of banking experience, out of which 17 have been with Citibank NA in India and overseas in various capacities. Prior to joining the Bank, he was with IndusInd Bank as Senior Vice President & Head of Corporate Banking.

### **Mr. R. Venkatesh – Executive Vice President & Head - Human Capital**

Mr. Venkatesh holds a B.Com. degree and is an MBA in Personnel Management. Prior to joining the Bank, he was with Standard Chartered Bank as Head, Human Resources – Countries. He has over 15 years of experience in the areas of Human Resource Management and Mergers and Acquisitions.

### **Mr. Susheel Kak – Executive Vice President & Chief Credit and Risk Officer**

Mr. Susheel Kak brings with him around 30 years of corporate and commercial banking experience. He has worked with several large nationalised, private and foreign banks.

Prior to joining the Bank, Susheel Kak was the Head of Corporate Banking, at IDBI Bank Ltd. Prior to this, he was with the Deutsche Bank AG (DB) holding various positions before taking over as Director & Head, Corporate Relationship and Global Banking, Northern Region. He also worked as Acting CEO of DB Financial Services Co., a joint venture of DB with the Unilever Group (Brooke Bond India Ltd). Mr. Susheel Kak is a CAIIB and holds a Bachelor's degree in Arts and Law from Mumbai University.



# STABILITY

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*True stability results when presumed order and  
presumed disorder are balanced.*

*A truly stable system expects the unexpected,  
is prepared to be disrupted, waits to be  
transformed.*

Tom Robbins  
American Author

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## A Stable Foundation

- > Built on over 77 years of trust, tradition and togetherness, DCB was converted into a private sector commercial bank on May 31, 1995, in the wake of India's economic liberalisation. It was the only co-operative bank, which successfully crossed over and thrived in the face of change.
- > Under the able guidance of an experienced Board of Directors and the leadership of a dynamic senior management team, work is on to substantially expand the DCB network in 2008.
- > To adhere to its vision of becoming the gold standard in customer service in Indian banking, intensive training and service quality programmes have been initiated with customer delight becoming the key focus of the Bank. This will become the hallmark of DCB and act as its key differentiator.
- > DCB intends to offer an extensive range of products across its branches. Suitable variants of the basic products like savings and current accounts as well as innovative products such as the 'DCB Trio' and 'Easy Business,' keep DCB ahead of the pack. Demat Accounts and a range of investment products like mutual funds, insurance and bonds, make the product offering complete.
- > Since its inception, DCB has always taken an active interest in developing low-cost customer deposit products and providing for the needs of small and medium businesses in select regions. It continues to fulfill every consumer need with great enthusiasm. The Bank is also suitably equipped with the latest versions of Finacle from Infosys and Oracle to provide seamless service to its customers.
- > The pan-India employee teleconferences and introduction of performance-based incentives have already charged the existing work force. Given its reputation for being a non-hierarchical and dynamic organisation, DCB is one of the chosen destinations for aspiring banking professionals.
- > The Bank has an active and robust treasury, managing its interest rate risks and liquidity by providing an uninterrupted flow of funds, positioning the Bank for future growth.





# PERFORMANCE

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*It is an immutable law in business  
the words are words, explanations are  
explanations, promises are promises but  
only performance is reality.*

Harold S Geneen  
American Businessman

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