

SH: 47 / 2026-27

August 31, 2026

The General Manager Department of Corporate Services BSE Limited I Floor, New Trading Ring Rotunda Building, P J Towers Dalal Street Fort, Mumbai – 400 001	The Manager Listing Department National Stock Exchange of India Limited 'Exchange Plaza', Bandra – Kurla Complex Bandra (E), Mumbai – 400 051
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Dear Sir,

Sub: Notice of 99th Annual General Meeting & Annual Report for the Financial Year 2025-26

Further to our letter no SH: 43/2026-27 dated August 19, 2026 and pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Notice of the 99th Annual General Meeting of the Bank to be held on Wednesday, September 23, 2026 at 11.00 A.M (IST) through VC / OAVM, along with the Annual Report for the financial year 2025-26.

The Notice and the Annual Report will be hosted on the website of the Bank www.dhan.bank.in in the link "Investor Relations > 99th Annual General Meeting".

Please take the same on record.

Thanking you,

Yours faithfully,

Venkatesh. H
Company Secretary & Secretary to the Board

Notice



DHANLAXMI BANK LIMITED

CIN: L65191KL1927PLC000307

Regd. Off: P.B No.9, Dhanalakshmi Buildings, Naickanal, Thrissur, Kerala-680001

Ph: 0487-2999711; Fax: 0487-2335367

Corporate Office: Punkunnam, Thrissur, Kerala-680002; Ph: 0487-7107100

E-mail: investors@dhanbank.co.in; Website: www.dhan.bank.in

NOTICE OF 99th ANNUAL GENERAL MEETING

99TH ANNUAL GENERAL MEETING	WEDNESDAY, SEPTEMBER 23, 2026, 11.00 A.M (IST) THROUGH VIDEO CONFERENCING/ OTHER AUDIO-VISUAL MEANS
E-VOTING COMMENCES ON	SUNDAY, SEPTEMBER 20, 2026, 09.00 A.M (IST)
E-VOTING CONCLUDES ON	TUESDAY, SEPTEMBER 22, 2026, 05.00 P.M (IST)
INSTAPOLL (ONLY FOR MEMBERS WHO HAVE NOT VOTED THROUGH E-VOTING)	WEDNESDAY, SEPTEMBER 23, 2026 (AT THE ANNUAL GENERAL MEETING)

**To
The Members,
DHANLAXMI BANK LIMITED**

Notice is hereby given that the **99th Annual General Meeting of the Members of DHANLAXMI BANK LIMITED** ("the Bank") will be held on **Wednesday, September 23, 2026 at 11.00 A.M (IST)** through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business: -

ORDINARY BUSINESS

- 1. To receive, consider and adopt the Bank's Audited Balance Sheet as at March 31, 2026 and the Profit & Loss Account for the year ended on that date together with the reports of the Board of Directors and Auditors thereon**
- 2. To appoint a Director in the place of Dr. Jineesh Nath C.K (DIN-01476775) who retires by rotation under section 152 of the Companies Act,2013 and being eligible, offers himself for re-appointment**

3. To appoint Joint Statutory Central Auditors for the Bank

To consider and, if thought fit, to pass, with or without modification, the following resolution as Ordinary Resolution: -

“RESOLVED THAT pursuant to the provisions of Sections 139, 141 and 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 30 of the Banking Regulation Act, 1949, guidelines issued by Reserve Bank of India and other applicable rules and regulations, including any statutory modification(s) or re-enactment(s) thereof, and based on the approval of the Board of Directors of the Bank (“the Board”) and the approval granted by Reserve Bank of India vide letter dated July 23, 2026, approval of the Members of the Bank be and is hereby accorded to appoint M/s. Abraham & Jose, Chartered Accountants, Thrissur (FRN-000010S) and M/s G Natesan & Co., Chartered Accountants, Chennai, (FRN No 002424S), for the financial year 2026-27 for their third year and first year respectively, to hold office as the Joint Statutory Central Auditors of the Bank from the period commencing from the conclusion of the 99th Annual General Meeting to the conclusion of the 100th Annual General Meeting of the Bank for a total remuneration of Rs. 55 lakh (Rupees Fifty-Five lakh only) plus taxes as applicable from time to time, excluding the fee for branch audits conducted by them and reimbursement of actual travelling and out-of-pocket expenses incurred by them for the purpose of audit of the Bank’s accounts, with the power to the Board/ Audit Committee to alter and vary the terms and conditions of appointment, revision including upward revision in the remuneration during the current / remaining tenure, etc., including by reason of necessity on account of conditions as may be stipulated by RBI and / or any other authority, in such manner and to such extent as may be mutually agreed upon with the Joint Statutory Central Auditors.”

SPECIAL BUSINESS

4. To Authorize the Board of Directors to appoint and fix remuneration of branch auditors

To consider and, if thought fit, to pass, with or without modification, the following resolution as Ordinary Resolution: -

“RESOLVED THAT pursuant to the provisions of Sections 139 and 143(8) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable rules, if any, the applicable provisions of the Banking Regulation Act, 1949 and the rules, circulars and guidelines issued by Reserve Bank

of India, including any statutory modification(s) or re-enactment(s) thereof, the Board of Directors of the Bank be and is hereby authorized to arrange for the audit of the Bank's branches for the financial year 2026-27 and to appoint and fix the remuneration of branch auditors in consultation with the Joint Statutory Central Auditors."

5. To Appoint Sri. Rajan T.K (DIN: 08990301) as Independent Director of the Bank

To consider and, if thought fit, to pass, with or without modification, the following resolution as Special Resolution: -

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160, 161, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, Regulations 16(1)(b), 17 and 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 10A and other applicable provisions of the Banking Regulation Act, 1949, the Rules, Circulars and Guidelines issued by the Reserve Bank of India, from time to time, and the provisions of the Articles of Association of the Bank, including any statutory modification(s) or re-enactment(s) thereof in any of such Acts, Rules, Regulations, Guidelines/Circulars for the time being in force, Sri. Rajan T.K (DIN: 08990301), who was appointed as an Additional Director by the Board of Directors ("the Board") of the Bank with effect from July 29, 2026 and in respect of whom the Bank has received a notice in writing from a Member, in accordance with the provisions of Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director on the Board of the Bank for a period of five years commencing from July 29, 2026 to July 28, 2031 (both days inclusive) and that he shall not be liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors of the Bank be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to the above resolution including delegation of all or any of the powers conferred herein to any Director(s) or any one or more of the Executives of the Bank."

6. To Appoint Sri. T.V Rao (DIN: 11878881) as Independent Director of the Bank

To consider and, if thought fit, to pass, with or without modification, the following resolution as Special Resolution: -

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160, 161, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014

and other applicable rules, if any, Regulations 16(1)(b), 17 and 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 10A and other applicable provisions of the Banking Regulation Act, 1949, the Rules, Circulars and Guidelines issued by the Reserve Bank of India, from time to time, and the provisions of the Articles of Association of the Bank, including any statutory modification(s) or re-enactment(s) thereof in any of such Acts, Rules, Regulations, Guidelines/Circulars for the time being in force, Sri. T.V Rao (DIN: 11878881), who was appointed as an Additional Director by the Board of Directors ("the Board") of the Bank with effect from September 01, 2026 and in respect of whom the Bank has received a notice in writing from a Member, in accordance with the provisions of Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director on the Board of the Bank for a period of three years commencing from September 01, 2026 to August 31, 2029 (both days inclusive) and that he shall not be liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors of the Bank be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to the above resolution including delegation of all or any of the powers conferred herein to any Director(s) or any one or more of the Executives of the Bank."

7. To Approve the 'Dhanlaxmi Bank Limited Employee Stock Option Plan – 2025'

To consider and, if thought fit, to pass, with or without modification, the following resolution as Special Resolution: -

"RESOLVED THAT pursuant to provisions of Section 62(1) (b) and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with rules framed thereunder, the Accounting Standards prescribed by the Ministry of Corporate Affairs, the Securities and Exchange Board of India (SEBI) (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and circulars / notifications / guidance / frequently asked questions issued thereunder (collectively, the "SEBI SBEB Regulations"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), the relevant provisions of rules, circulars, regulations / guidelines prescribed by the SEBI and / or the Reserve Bank of India ("RBI") (including any amendment thereto or modification(s) or re-enactment(s) thereof from time to time) that may be issued by SEBI and/or any such other authorities from time to time, and the relevant provisions of the Memorandum of Association and Articles of Association of Dhanlaxmi Bank Limited (the "Bank"), and subject to any applicable approval(s), permission(s) and sanction(s) of any authorities and further subject to any condition(s) and modification(s) as may be prescribed or imposed by such authorities while granting

such approval(s), permission(s) and sanction(s), the consent of the shareholders of the Bank be and is hereby accorded to the introduction and implementation of “Dhanlaxmi Bank Limited Employee Stock Option Plan – 2025” (“ESOP 2025”/ “Plan”), the salient features whereof are furnished in the explanatory statement to this notice, and authorizing the Board of Directors of the Bank (hereinafter referred to as the “Board” which term shall be deemed to include any committee duly authorized by the Board, including the Nomination and Remuneration Committee which the Board has constituted under Regulation 19 of the SEBI LODR Regulations to exercise its powers, including the powers, conferred by this resolution) to create, offer and grant from time to time, in one or more tranches, not exceeding Twenty Seven Million Six Hundred Twenty Eight Thousand and Nine Hundred Nineteen (or such other adjusted numbers in case of corporate actions such as rights issue, bonus issue, splits, reverse-split, consolidations, buy-backs, restructuring or any other corporate action as may be applicable, from time to time) employee stock options (“Options”) to such employees working exclusively with the Bank, whether in India or outside India, including any director, whether whole-time or not (excluding (i) the employees/directors who are promoters and persons belonging to the promoter group, (ii) independent director, and (iii) director holding directly or indirectly more than 10% (ten percent) of the outstanding equity shares of the Bank) subject to their eligibility as may be determined under the ESOP 2025, exercisable into not more than Twenty Seven Million Six Hundred Twenty Eight Thousand and Nine Hundred Nineteen equity shares of face value of Rs. 10/- (Rupees Ten Only) each fully paid-up, where one Option would convert into one equity share upon exercise, on such terms and in such manner, in accordance with the provisions of the applicable law and the ESOP 2025.”

“RESOLVED FURTHER THAT the equity shares so issued and allotted as mentioned hereinbefore shall rank pari passu with the then existing equity shares of the Bank.”

“RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issue, merger and sale of division etc., if any additional equity shares are required to be issued by the Bank to the eligible employees for the purpose of making a fair and reasonable adjustment to the Options granted earlier, the ceiling in terms of number of equity shares specified above shall be deemed to be increased to the extent of such additional equity shares required to be issued.”

“RESOLVED FURTHER THAT in case the equity shares of the Bank are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the eligible employees under the ESOP 2025 shall automatically stand reduced or augmented, as the case may be, in the same proportion as the face value per equity share shall bear to the revised face value of the equity shares of the Bank after such sub-division or consolidation, without affecting any other rights or obligations of the said eligible employees.”

“RESOLVED FURTHER THAT the Bank shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable law and regulations to the extent relevant and applicable to the ESOP 2025.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to take requisite steps for listing of the equity shares to be allotted under the ESOP 2025 on the stock exchange(s) where the equity shares of the Bank are listed in due compliance with SEBI SBEB Regulations and other applicable law.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the ESOP 2025 subject to the compliance with the applicable law and regulations and further subject to consent of the shareholders by way of special resolution to the extent required under SEBI SBEB Regulations, and to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the ESOP 2025, and do all other things incidental and ancillary thereof in conformity with the provisions of the applicable law in force to give effect to this resolution.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the forgoing, the Board be and is hereby authorized to act on behalf of the Bank, without being required to specifically seek any further consent or approval of the shareholders of the Bank to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution and to do all such acts, deeds, matters and things as the Board may at its discretion deem necessary or desirable for such purpose, including without limitation the drafting, finalization, entering into and execution of any arrangements or agreements and to delegate its authority under this resolution to any committee or personnel of the Bank as the Board may deem fit.”

Place: Thrissur
Date: August 19, 2026

For and on behalf of the Board,
Sd/-
Venkatesh. H
Company Secretary &
Secretary to the Board

NOTES:

1. The Ministry of Corporate Affairs ("MCA") has vide its general circulars dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021, December 08, 2021, December 14, 2021, May 05, 2022, December 28, 2022, September 25, 2023, September 19, 2024 and September 22, 2025 (collectively referred to as "MCA Circulars") and SEBI vide its circulars dated May 12, 2020, January 15, 2021, May 13, 2022 and January 05, 2023, October 07, 2023, October 03, 2024, June 05, 2025 July 11, 2025 and January 30, 2026 (collectively referred to as "SEBI Circulars"), permitted holding of the Annual General Meeting ("AGM") of the Members of the Bank through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), MCA Circulars and SEBI Circulars, the AGM is being held through VC / OAVM.
2. In compliance with the above-mentioned circulars, the Notice of the AGM along with Annual Report for the financial year 2025-26 is being sent in electronic mode to all the Members to their e-mail addresses registered with the Bank / Depository Participants / Registrar & Transfer Agents. The Notice of AGM and the Annual Report of the Bank for the financial year 2025-26 will also be available on the websites of the Bank (www.dhan.bank.in), KFin (<https://evoting.kfintech.com>), National Stock Exchange of India Limited (www.nseindia.com), and BSE Limited (www.bseindia.com). In terms of the aforementioned circulars, the Bank will not be sending physical copies of the Notice of AGM and the Annual Report to the Members.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is also entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a Member of the Bank. Since this AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. The Bank is offering e-voting facility to its Members in respect of the businesses to be transacted at the 99th Annual General Meeting scheduled to be held on **Wednesday, September 23, 2026 at 11.00 A.M (IST)**. The Bank has engaged the services of M/s. KFin Technologies Limited ("KFin") as the authorized agency to provide e-voting facilities. **The remote e-voting facility will be available from 09.00 A.M(IST) on Sunday, September 20, 2026 to 05.00 P.M (IST) on Tuesday, September 22, 2026.** The Members who have cast their vote by remote e-voting prior to the AGM (**"remote e-voting"**) may also

attend/ participate in the AGM through VC/ OAVM but shall not be entitled to cast their vote again. Other Members may cast their vote at the AGM through electronic means (“Instapoll”).

4. The Register of Members and Share Transfer Books of the Bank will remain closed from **Friday, September 18, 2026 to Wednesday, September 23, 2026 (both days inclusive)**. Transfers received during the period of book closure will be considered only after re-opening of the Register of Members.

5. The cut-off date (i.e., the record date) for the purpose of voting is **Thursday, September 17, 2026** and the voting rights will be one vote per Equity Share registered in the name of the shareholders/ beneficial owners as on that date.

6. Only those persons whose names appear in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date, i.e., **Thursday, September 17, 2026**, shall be entitled to cast their vote through remote e-voting / Instapoll.

7. Further, only those Members holding shares either in physical form or electronic form as on the cut-off date, i.e., **Thursday, September 17, 2026**, can attend the AGM being held through VC.

8. Institutional / Corporate Shareholders (i.e., other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting / instapoll. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to vsassociates16@gmail.com with a copy marked to einward.ris.@kfintech.com.

9. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by using the remote e-voting login credentials and selecting the EVEN for the Bank's AGM as further detailed in the Notice (“Instructions for members for remote e-voting”). The facility for participation at the AGM through VC/OAVM will be made available for 1,000 members on first-come- first-served basis. This will not include large Shareholders (Shareholders holding 2% or more paid-up share capital of the Bank), Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc., who are allowed to attend the AGM without restriction on account of first-come-first-served basis.

10. In case of joint holders, the Member whose name appears as the first holder in

the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

11. All relevant documents referred to in this Notice requiring the approval of the Members at the meeting shall be available for inspection by the members at the Registered Office of the Bank, in physical form, on all working days between 10.00 A.M (IST) to 3.00 P.M (IST) and upto the conclusion of the Annual General Meeting. These documents are also available in electronic form till the conclusion of Annual General Meeting.

12. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the special business to be transacted at the meeting is annexed hereto. The relevant details, pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment at the 99th AGM is also annexed.

13. Members seeking any information with regard to the accounts or any matter to be placed at the AGM are requested to write to the Bank on or before Monday, September 14, 2026 through email to investors@ghanbank.co.in and the same may be replied by the Bank suitably.

14. In case of the need for any technical assistance or any grievances connected with e-voting, Members may contact Mr. G. Vasantha Rao Chowdari, Manager, KFin Technologies Limited, "Selenium Tower B", Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad-500032; Phone:1800 3094 001 (tollfree); Email ID: einward.ris@kfintech.com. The AGM Notice is being sent in electronic mode to all the Shareholders whose names appear in the Register of Members as on **Friday, August 28, 2026** to their e-mail addresses registered with the Bank/ Depository Participants / Registrar & Transfer Agents. Members who have not received the e-mail of the aforesaid AGM Notice / Annual Report or who have purchased the Equity Shares of the Bank after **Friday, August 28, 2026** may also contact Mr. G. Vasantha Rao Chowdari, Manager at the above-mentioned address / phone number for the e-mail of the Notice / Annual Report.

15. After dispatch of the Notice / Annual Report through e-mail, advertisement will be published in one English daily and one in Malayalam daily, each having wide circulation in the district where the registered office of the Bank is situated, and will also be hosted on the Bank's website in the link <https://www.dhan.bank.in/statutory-reports/> under the head **99th Annual General Meeting**.

16. The User ID and Password for remote e-voting / instapoll / registering attendance at the AGM is provided along with the e-mail delivering this Notice/

Annual Report of 2025-26.

17. Members who have not registered their e-mail address and, therefore, are not able to receive the Annual Report, Notice of AGM and e-Voting instructions, may temporarily get their email address and mobile number registered with M/s. KFin Technologies Limited, the Bank's RTA, by accessing the link <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>.

18. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

19. The instructions for remote e-voting, instapoll, registering attendance at the AGM, participation in AGM, Speaker registration, etc. is separately provided along with the e-mail delivering this Notice. Only those Members who have registered themselves as "Speaker" from Friday, September 18, 2026 (9:00 A.M IST) up to Saturday, September 19, 2026 (5:00 P.M IST), as detailed in the given instructions, will be able to ask questions during the AGM.

20. Members may please note that there is a facility for nomination, in the prescribed form, of any person to whom shares in the Bank held by such Member shall vest in the event of his / her death.

21. Shares of the Bank are traded in dematerialized form. Members may opt for availing the benefits of electronic holding / transfer of shares held by them. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in demat form only, while processing service requests viz. issue of duplicate securities certificates, claim from unclaimed suspense account, renewal/ exchange of securities certificate endorsement, sub-division/ splitting of securities certificate, consolidation of securities certificates/ folios, transmission and transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Bank's website in the section Investor Relations>>>Investor Service Request Forms.

22. Members should notify the changes in their address immediately to the Transfer Agents/Depository Participants as the case may be, giving full details in block letters with pin code and post office along with address proof and photo identity proof.

23. Members described as "Minor" in the address but who have attained majority of age may update their status in the Register of Members by producing proof of age.

24. Members holding physical shares in identical order of names in more than one folio are requested to write to the Share Transfer Agents to facilitate consolidation of their holdings in one folio.

25. In terms of Section 125 of the Companies Act, 2013, the amount which has remained unclaimed/unpaid for a period of 7 years from the date of transfer to the unpaid/ unclaimed Dividend Account has to be transferred to the "Investors' Education and Protection Fund" and thereafter, no claim can be made by any shareholder against the Bank for the dividend amount of that year. Upon transfer of such shares to IEPF account, all benefits (eg. bonus, spilt, etc.), if any, accruing on such shares shall also be credited to the IEPF Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. The members/claimants whose shares, unclaimed dividend etc. have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority as per the procedure prescribed in the IEPF Rules. The unpaid dividend for the financial year 2010-11 was transferred to this fund in the financial year 2018-19. Consequently, all dividends remaining unclaimed or unpaid have been transferred to this fund.

26. In terms of Section 124 (6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, it may be noted that if the dividends have been unpaid or unclaimed for seven consecutive years or more, the underlying shares shall be transferred to the IEPF Demat Account maintained with depositories. Upon transfer of such shares to IEPF account, all benefits (eg. bonus, spilt, etc.), if any, accruing on such shares shall also be credited to the IEPF Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. The members/claimants whose shares, unclaimed dividend etc. have been transferred to IEPF authority may claim the shares or apply for refund by making an application to IEPF authority as per the procedure prescribed in the IEPF Rules. The Bank has transferred all shares on which dividends have remained unclaimed / unpaid for the last seven years to the said account after giving due notice to the shareholders as prescribed under the Companies Act, 2013 and the rules made thereunder.

In accordance with the instructions of SEBI Circular No. SEBI/HO/MIRSD/MIRSD-POD/P/CIR/2025/97 dated July 2, 2025, a Special Window was opened for all Shareholders from July 7, 2025 to January 6, 2026, to facilitate the re-lodgement of transfer requests of physical shares. This facility was available to investors who had lodged their transfer deeds prior to the cut-off date of April 01, 2019 and whose requests were rejected, returned, or left unattended due to deficiencies in documentation, process irregularities, or any other reason. SEBI has further

extended the facility from February 05, 2026 to February 04, 2027 through a subsequent circular no. HO/38/13/11(2)2026-MIRSD-POD/1/3750/2026 dated January 30, 2026. Eligible shareholders are encouraged to avail this one-time opportunity by submitting the requisite documents to the Company's Registrar and Transfer Agents M/s. KFin Technologies Limited, Selenium Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032, Contact Person: Mr. G. Vasantha Rao Chowdari, Phone: 1800 3094 001, mail: einward.ris@kfintech.com. For the benefit of the Shareholders, the Bank has publicized the opening of this Special Window through the advertisements published in one English and one Malayalam newspaper along with dissemination of the information through the Bank's website in the link <https://www.dhan.bank.in/important-notices/> and on the official social media platforms of the Bank (Instagram, Facebook and LinkedIn).

27. Sri. V. Suresh, Senior Partner, M/s. V. Suresh Associates, Practising Company Secretaries, First Floor, No.28, Ganapathy Colony, Illrd Street, Teynampet, Chennai-600018 (FCS 2969/ CP 6032) will be the Scrutinizer for conducting the remote e-voting process and e-voting at the venue ("Instapoll") in accordance with law.

28. To facilitate the Members who are eligible to vote as on Cut-Off Date and have not registered their e-mail addresses with the Bank, the Bank has made special arrangements with its RTA for registration of e-mail addresses in accordance with the MCA circulars. The Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by allowing Companies to send documents to their members in electronic mode. For Members who have not registered their e-mail addresses, the process for registration of e-mail address is furnished below: -

Physical Holding	Send relevant documents to the RTA at M/s. KFin Technologies Limited, Unit: Dhanlaxmi Bank, "Selenium Tower B", Plot No.31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032 Form ISR-1 is available on the Bank's website https://www.dhan.bank.in/ in the section Investor Relations>>> Investor Service Request Forms.
Demat Holding	By contacting Depository Participant ("DP") and registering e-mail address and mobile number in demat account as per the process advised by the DP.

Those Members who have already registered their e-mail address are requested to keep their e-mail addresses validated with their DP / the Bank's RTA, to enable

servicing of notices, documents, annual reports and other communications electronically to their e-mail address in future. Members may please note that notices, annual reports, etc. will be available on the Bank's website at <https://www.dhan.bank.in>. Members will be entitled to receive the said documents in physical form free of cost at any time upon request.

29. General Information for Members: -

(i) Members holding shares in physical form are requested to note that in terms of Regulation 40 of the SEBI Listing Regulations, as amended, the securities of listed companies can be transferred only in dematerialized form and transmission, or transposition of securities held in physical or dematerialized form shall be effected only in dematerialized form. In view of the above and to eliminate risks associated with physical transfer of securities, Members holding Equity Shares of the Bank in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the RTA of the Bank for assistance in this regard.

(ii) In compliance with SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 for Registrars to an Issue and Share Transfer Agents, Section V – Investor's Service Request, Para 19 on Common and Simplified Norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination, and read with SEBI Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023, it shall be mandatory for all holders of physical securities in listed companies to furnish PAN, Nomination, Contact details, Bank A/c details and Specimen signature for their corresponding folio numbers. Therefore shareholders are requested to Mandatorily furnish (a) PAN and KYC details, (b) Nomination (Either Nomination through Form SH-13 or cancellation or variation in nomination through Form SH-14 as provided in the Rules 19 of Companies (Shares capital and debenture) Rules, 2014 or 'Declaration to Opt-out', as per Form ISR-3), (c) Contact details: Postal address with PIN, Mobile number, E-mail address (d) Bank account details (bank name and branch, bank account number, IFS code) (e) Specimen signature. The forms are made available in Bank's website <https://www.dhan.bank.in/> in the section Investor Relations>>> Investor Service Request Forms.

(iii) The formats for Nomination and updation of KYC details in accordance with the SEBI Circular are available on the website of the RTA <https://ris.kfintech.com/clientservices/isc/isrforms.aspx> and on the Bank's website <https://www.dhan.bank.in/> in the section Investor Relations>>> Investor Service Request Forms.

(iv) SEBI vide its circular dated May 30, 2022 has prescribed Standard Operating Procedures for dispute resolution under the Stock Exchange arbitration mechanism for a dispute between a Listed Company and/or RTA and its Shareholders(s)/investor(s). The same is made available on the Bank's website <https://www.dhan.bank.in/> in the section Investor Relations>>> Investor Grievance / Complaints Redressal Mechanism along with the communication to investors under SEBI Circular No. SEBI/HO/OIAE/ 2023/03394 dated January 27, 2023.

30. The instructions for Members for remote e-voting are as under:

a) The **remote e-voting period commences from 09.00 A.M (IST) on Sunday, September 20, 2026 ends at 05.00 P.M (IST) on Tuesday, September 22, 2026.** During this period, the Members of the Bank, holding shares either in physical form or in dematerialized form, as on the Cut-Off Date, i.e, **Thursday, September 17, 2026**, may cast their votes electronically. The remote e-voting module shall be disabled by the Service Provider for voting thereafter and voting shall not be allowed beyond the said date and time. Once the vote on the resolution is cast by the Member, he/she shall not be allowed to change his/her vote subsequently or cast the vote again. There will be one login for every Folio / Client ID irrespective of the number of joint holders. The voting rights of the Members shall be in proportion to their shares in the total paid-up equity share capital of the Bank as on the Cut-off date.

In case of the need for any technical assistance or any grievances connected with e-voting, Members may contact Mr. G. Vasantha Rao Chowdari, Manager, KFin Technologies Limited, "Selenium Tower B", Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad-500032; Phone:1800 3094 001 (toll free); Email ID: einward.ris@kfintech.com. Members who have not received the e-mail of the aforesaid Notice after the cut-off date may also contact Mr. G. Vasantha Rao Chowdari, at the above-mentioned address / phone number for the e-mail of the Notice.

b) Pursuant to SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 and Regulation 44 of SEBI Listing Regulations, listed entities are required to provide remote e-voting facility to its Shareholders, in respect of all Shareholders' resolutions, and individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access remote e-voting facility. The instructions for remote e-voting are given below for the information of the Members: -

INSTRUCTIONS FOR REMOTE E-VOTING

A. Login method for e-Voting: Applicable only for Individual Members holding securities in Demat

As per the SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Members holding securities in **Demat mode** are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility. The Login method for Individual Members holding securities in demat mode is given below:

NSDL	CDSL
1. User already registered for IDeAS facility: - URL: https://eservices.nsdl.com - Click on the "Beneficial Owner" icon under 'IDeAS' section. - On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" - Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. 2. User not registered for IDeAS e-Services - To register click on link : https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp - Proceed with completing the required fields. 3. By visiting the e-Voting website of NSDL	1. Existing user who have opted for Easi / Easiest - URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com - Click on New System Myeasi - Login with user id and password. - Option will be made available to reach e-Voting page without any further authentication. - Click on e-Voting service provider name to cast your vote. 2. User not registered for Easi/Easiest - Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration - Proceed with completing the required fields.

I. URL: https://www.evoting.nsdl.com/ II. Click on the icon “Login” which is available under 'Shareholder/Member' section. III. Enter User ID (i.e., 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. V. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.	3. By visiting the e-Voting website of CDSL I. URL: www.cdslindia.com II. Provide demat Account Number and PAN No. III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. IV. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress.
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Individual Members (holding securities in demat mode) login through their depository participants.

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Click on e-Voting option and you will be redirected to NSDL/CDSL Depository site after successful authentication. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

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

Members facing any technical issue - NSDL	Members facing any technical issue - CDSL
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800 2255 33/34.

B. Information and instructions for remote e-voting by (i) shareholders other than individual shareholders holding shares of the Bank in demat mode and (ii) all shareholders holding shares in physical mode

Members whose email IDs are registered with the Bank/ Depository Participants (s), will receive an email from Kfintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the process detailed below: -

- i. Members shall use the following URL for remote e-voting: - <https://evoting.kfintech.com>;
- ii. Members to enter the login credentials (i.e., User ID & Password) mentioned in the email, Folio No. /DP ID & Client ID will be the USER ID. Please note that the password is an initial password.
- iii. After entering the said details, please click on LOGIN.
- iv. Members will reach the password change menu wherein they are required to mandatorily change the password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt the Members to change the password and update any contact details like mobile number, email address etc. on first login.
- v. Members may also enter the secret question and answer of their choice to retrieve password in case they have forgotten it. It is strongly recommended not to share the password with any other person and take utmost care to keep the password confidential.
- vi. Members will need to login again with the new credentials.
- vii. On successful login, the system will prompt the Member to select the EVEN i.e., Dhanlaxmi Bank Limited.
- viii. On the voting page, Members are requested to enter the number of shares held as on the said cut-off date under FOR/AGAINST or alternatively enter any number FOR and any number AGAINST and ensure that the total

number of shares cast FOR/AGAINST, does not exceed their total shareholding, as on the said cut-off date. Members may also choose the option ABSTAIN.

- ix. Members holding multiple folio(s)/demat account(s) shall follow the said voting process separately for each folio(s)/demat account(s).
- x. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- xi. Members may cast their vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once a Member confirms his vote, he will not be allowed to modify his vote subsequently. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

31. The Scrutinizer will submit the results of the voting (remote e-voting & instapoll) to the Chairman of the Bank or the Authorized Officer(s) of the Bank after completion of the scrutiny of the e-voting. The result of the voting along with the Scrutinizer's Report will be displayed on the Bank's website <https://www.dhan.bank.in/>, on the website of KFin at www.kfintech.com and shall be communicated to the Stock Exchanges where the Bank's shares are listed i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com, within two (2) working days from the end of the e-voting period. The Scrutinizer's decision on the validity of voting shall be final.

32. Resolutions as set out in this Notice will be deemed to have been passed on the date of the meeting, subject to the receipt of requisite number of votes of Members in favour of the resolutions.

33. All correspondence relating to shares should be addressed to the Registrars and Transfer Agent of the Bank, viz: M/s. KFin Technologies Limited, Unit: Dhanlaxmi Bank, "Selenium Tower B", Plot No.31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032; Tel : +91-40-67162222, Fax: 040-2300 1153, Toll Free No: 1800 3094001, E-mail: einward.ris@kfintech.com, Website: www.kfintech.com.

Place: Thrissur
Date: August 19, 2026

For and on behalf of the Board,
Sd/-
Venkatesh. H
Company Secretary &
Secretary to the Board

Statement of material facts as required under Section 102(1) of the Companies Act, 2013 annexed to and forming part of the Notice dated August 19, 2026

Item No.2

Dr. Jineesh Nath C.K (DIN - 01476775) was appointed as Director of the Bank pursuant to the provisions of the Companies Act, 2013 and the SEBI Regulations at the Annual General Meeting held on September 29, 2025 and he is liable to retire by rotation.

The Bank has received a notice in writing as per Section 160 of the Companies Act, 2013 from Dr. Jineesh Nath C.K proposing his candidature for the office of Director. The Nomination & Remuneration Committee of the Board has also conducted "due diligence" in accordance with the provisions of the Banking Regulation Act, 1949 and RBI guidelines and found that Dr. Jineesh Nath C.K is "fit & proper" to continue as director of the Bank. The Committee is also of the opinion that he fulfills the conditions specified in the Companies Act, 2013 and the SEBI Regulations, and the rules made thereunder, for holding the office of director and that he is not debarred from holding the office of director by virtue of any SEBI order or any other such authority.

Accordingly, the Board of Directors of the Bank recommend Resolution No. 2 of the Notice for approval.

The additional information as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 issued by The Institute of Company Secretaries of India is furnished as follows: -

Date of Birth and age	December 19, 1985; 40 years
Nationality	Indian
Qualifications	Post graduate Doctor
Brief Resume, Experience and Nature of expertise in specific functional areas	Dr. Jineesh Nath C.K is a post graduate doctor. He is a Director of CKG Finance Private Limited and Chittilangattkalam Holdings Private Limited. He is also a Major shareholder of the Bank and holds 29593200 shares of the Bank (7.49% of the total paid-up share capital of the Bank) as on date.
Terms and conditions of appointment / re-appointment along with	Dr. Jineesh Nath C.K will be entitled to sitting fees for attending Board / Committee Meetings.

details of remuneration	
Details of Remuneration last drawn	19,70,000/- (i.e., sitting fee paid in the financial year 2025-26)
Date of first appointment on Board	July 31, 2024
Shareholding in the Bank as on the date of this Report	29593200 shares of the Bank (7.49% of the total paid-up share capital of the Bank)
Relationship with other Directors, Manager and Key Managerial Personnel of the Bank	Nil
Number of Board Meetings attended during 2025-26	14
Chairman / Member of Committees of Board of Directors of the Bank as on the date of this Notice	Chairman HRD Committee NPA Monitoring Committee Stakeholders' Relationship Committee Member Audit Committee of the Board Credit & Business Committee of Board IT Strategy Committee of the Board Nomination & Remuneration Committee
Directorship in other entities	C.K.G Finance Private Limited Chittilangatt Kalam Holdings Private Limited
Membership / Chairmanship of Committees of Boards of other listed companies as on the date of this Notice	Nil

Save and except Dr. Jineesh Nath C.K, none of the Directors or Key Managerial Personnel or their relatives are, in any way, concerned or interested in the above resolution.

Item No. 3

As per Reserve Bank of India (RBI) circular No. Dos. CO.ARG/ SEC.01/08.91.001/2021-22 dated April 27, 2021, the statutory audit of the Bank

should be conducted under joint audit of a minimum of two audit firms as the asset size of the Bank as on 31.03.2026 was more than Rs.15,000 crore.

The shareholders had at the 98th Annual General Meeting of the Bank held on September 29, 2025, appointed M/s. Sagar & Associates, Chartered Accountants, Hyderabad (FRN-003510S) and M/s. Abraham & Jose, Chartered Accountants, Thrissur (FRN-000010S) for the financial year 2025-26 for their third year and second year respectively to hold office as the Joint Statutory Central Auditors of the Bank from the period commencing from the conclusion of the 98th Annual General Meeting to the conclusion of the 99th Annual General Meeting of the Bank. M/s Sagar & Associates, Chartered Accountants, Hyderabad, will be completing their third year of engagement by conclusion of the 99th Annual General Meeting scheduled to be held on Wednesday, September 23, 2026 and therefore, shall not continue as the Joint Statutory Central Auditors of the Bank in accordance with the guidelines issued by Reserve Bank of India.

The Board of Directors of the Bank, on the basis of the recommendation of the Audit Committee of the Board, had, at its meeting held on 24th June, 2026, recommended the appointment of M/s Abraham & Jose, Chartered Accountants, Thrissur and M/s G Natesan & Co., Chartered Accountants, Chennai as the Joint Statutory Central Auditors of the Bank for the FY 2026-27 for their third year and first year respectively, to hold office from the conclusion of the ninety-ninth Annual General Meeting of the Bank upto the conclusion of the one-hundredth Annual General Meeting of the Bank.

In accordance with the provisions of the Banking Regulation Act, 1949 and the guidelines issued by RBI, the Bank has obtained prior approval of RBI for appointment of M/s. Abraham & Jose, Chartered Accountants, Thrissur (FRN-000010S) for the financial year 2026-27 for their third year and M/s G Natesan & Co., Chartered Accountants, Chennai (FRN No 002424S) for the financial year 2026-27 for their first year as the Joint Statutory Central Auditors of the Bank. The appointments are subject to the approval of the Shareholders.

The above appointments have been approved by RBI for a period of one year and pursuant to the requirements of RBI guidelines, the appointments are required to be pre-approved on an annual basis. Hence, M/s. Abraham & Jose, Chartered Accountants, Thrissur (FRN-000010S) and M/s G Natesan & Co., Chartered Accountants, Chennai (FRN No 002424S) will hold office as Joint Statutory Central Auditors from the conclusion of the 99th Annual General Meeting to the conclusion of the 100th Annual General Meeting of the Bank and thereafter would be placed for approval of the Members on an annual basis subject to the auditors continuing to fulfill the applicable eligibility norms and subject to the approval of

the RBI.

The Board of Directors therefore recommends for the appointment of M/s. Abraham & Jose, Chartered Accountants, Thrissur (FRN-000010S) and M/s G Natesan & Co., Chartered Accountants, Chennai (FRN No 002424S) to hold office as Joint Statutory Central Auditors from the conclusion of the 99th Annual General Meeting to the conclusion of the 100th Annual General Meeting of the Bank.

Proposed fees payable to the Joint Statutory Central Auditors along with terms of appointment

The Board recommends, with the prior approval of Reserve Bank of India, the following structure of fees for the Joint Statutory Central Audit of the Bank, in addition to the actual out-of-pocket expenses and taxes with division of the audit fees according to the work allocation between the Joint Statutory Central Auditors: -

Quarterly Review	Limited	₹22.50 lakh (i.e., ₹7.50 lakh per quarter for 3 quarters)
Audit Fee		₹32.50 lakh (i.e., ₹26.50 lakh for Audit/ Certifications, ₹3.00 lakh for LFAR and ₹3.00 lakh for Tax Audit).
Total		₹55.00 lakh (Excluding applicable taxes & other actual out-of-pocket expenses incurred by the Auditors in the course of their work).

Basis of recommendation for appointment including the details in relation to and credentials of the joint statutory central auditor(s) proposed to be appointed

M/s. Abraham & Jose, Chartered Accountants, Thrissur is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India with Firm Registration No. 000010S. The firm has 54 years of audit experience including 31 years of experience as Statutory Central Auditors. They were the Statutory Central Auditors of various private/ public sector banks including Federal Bank Limited, Indian Overseas Bank, South Indian Bank Limited, The Catholic Syrian Bank Limited (presently CSB Ltd.) and erstwhile State Bank of Travancore and Andhra Bank. They have also conducted the statutory branch audits of various public and private sector banks. The firm has conducted statutory audits of various State and Central PSUs including miniratna undertakings. The firm has been undertaking audits of insurance companies, concurrent audits of banks, audits of various NGOs and internal audits and management consultancy services. The firm has confirmed

its eligibility to be appointed as Joint Statutory Central Auditors in terms of Section 141 of the Companies Act, 2013 and the applicable rules and as per the guidelines of RBI.

M/s. G Natesan & Co., Chartered Accountants, Chennai is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India with Firm Registration No. 002424S. The firm has 75 years of audit experience including 5 years of experience as Statutory Central Auditors and 27 years as Statutory Branch Auditors. They were the Statutory Central Auditors of Indian Bank and erstwhile State Bank of Hyderabad. The firm has been undertaking audits of insurance companies, concurrent audits of banks, public sector undertakings, audits of various NGOs / charitable organizations and insurance companies. The firm has confirmed its eligibility to be appointed as Joint Statutory Central Auditors in terms of Section 141 of the Companies Act, 2013 and the applicable rules and as per the guidelines of RBI.

Considering the past performance, experience and expertise of the Joint Statutory Central Auditors, and based on the recommendation of the Audit Committee of the Board, the Board of Directors of the Bank recommend Resolution No. 3 of the Notice for approval.

None of the Directors or Key Managerial Personnel or their relatives are, in any way, concerned or interested in the above resolution.

Item No. 4

Pursuant to the provisions of Sections 139 and 143(8) of the Companies Act 2013, the guidelines issued by the Reserve Bank of India and other regulatory requirements, the shareholders of the Bank may authorize its Board of Directors to appoint branch auditors in consultation with Bank's Joint Statutory Central Auditors for those branches which are not proposed to be audited by the Joint Statutory Central Auditors.

Accordingly, the Board of Directors of the Bank recommend Resolution No. 4 of the Notice for approval.

None of the Directors or Key Managerial Personnel or their relatives are, in any way, concerned or interested in the above Resolution.

Item No.5

The Board of Directors of the Bank had approved the appointment of Sri. Rajan T.K (DIN - 08990301) as Additional Director (Non-Executive Independent) on the

Board of the Bank, pursuant to the provisions of the Companies Act, 2013 and the SEBI Regulations, with effect from July 29, 2026 and, subject to and with the prior approval of the Shareholders of the Bank, for further appointment of Sri. Rajan T.K as Independent Director on the Board for a period of five years from July 29, 2026 to July 28, 2031.

The Bank has received a notice in writing as per Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Sri. Rajan T.K for the office of Director. The Nomination & Remuneration Committee of the Board has also conducted "due diligence" in accordance with the provisions of the Banking Regulation Act, 1949 and RBI guidelines and found that Sri. Rajan T.K is "fit & proper" to continue as director of the Bank. The Committee is also of the opinion that he fulfills the conditions and criteria specified in Section 149 of the Companies Act, 2013, Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable rules, regulations, guidelines and circulars for holding the office of independent director and that he is not debarred from holding the office of director by virtue of any SEBI order or any other such authority.

Accordingly, the Board of Directors recommend Resolution No. 5 of the Notice for approval.

The additional information as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 issued by The Institute of Company Secretaries of India is furnished as follows:

Date of Birth and age	May 16, 1965; 61 years
Nationality	Indian
Qualifications	B. Tech, MBA, CFA (ICFAI), CAIIB
Brief Resume, Experience and Nature of expertise in specific functional areas	Sri. Rajan T.K is a seasoned finance professional with over 34 years of service with the Reserve Bank of India (RBI) and had retired from RBI as Chief General Manager in-charge of Supervision of banking sector. He was also the Chief General Manager, Cyber and IT Risk Group, Department of Supervision of RBI and was involved in setting up the unit responsible for regulation and supervision of cyber and IT risks in the banking

	sector, introduction of major regulations for the sector in cyber and IT risk areas, rolling out of various supervisory tools viz., IT Examinations, off-site assessment framework, incident reporting, cyber reconnaissance, automation of supervisory processes in RBI through introduction of DAKSH (a Web based application of RBI). He headed the RBI's functions relating to Public Debt Management and Foreign Exchange Reserve Management. He had led RBI in national committees involving various stake holders to deal with cyber and IT risks and had represented RBI in the Financial Stability Board in major initiatives relating to cyber risks and had also represented RBI as a resource speaker/panelist in IMF, BIS and Foreign Central Bank meetings/workshops. He was a member of the Basel Consultative Group (BCG) and a member of the Board of Reserve Bank Information Technology Pvt. Ltd. (ReBIT). He had also represented RBI in the Board of two private sector banks, including Dhanlaxmi Bank Limited. He has extensive experience in off-site and on-site supervision of commercial banks. Presently, he is full-time consultant of College of Supervisors, Reserve Bank of India. In accordance with the provisions of Section 10A(2)(a) of the Banking Regulation Act, 1949, Sri. Rajan T.K will be representing "Information Technology" on the Board of the Bank.
Terms and conditions of appointment / re-appointment along with details of remuneration	Sri. Rajan T.K will be entitled to sitting fees for attending Board / Committee Meetings.

Details of Remuneration last drawn	Nil (appointed in the Meeting of the Board of Directors of the Bank held on July 29, 2026 and the appointment to be effective from July 29, 2026)
Date of first appointment on Board	July 29, 2026
Shareholding in the Bank as on the date of this Report	Nil
Relationship with other Directors, Manager and Key Managerial Personnel of the Bank	Nil
Number of Board Meetings attended during 2025-26	Nil (appointed on the Board of the Bank on July 29, 2026)
Chairman / Member of Committees of Board of Directors of the Bank as on the date of this Notice	Nil
Directorship in other entities	Nil
Membership / Chairmanship of Committees of Boards of other listed companies as on the date of this Notice	Nil

Save and except Sri. Rajan T.K, none of the Directors or Manager or Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution as set out at Item No. 5 of the Notice.

Item No.6

The Board of Directors of the Bank had approved the appointment of Sri. T.V Rao (DIN - 11878881) as Additional Director (Non-Executive Independent) on the Board of the Bank, pursuant to the provisions of the Companies Act, 2013 and the SEBI Regulations, with effect from September 01, 2026 and, subject to and with the prior approval of the Shareholders of the Bank, for further appointment of Sri. T.V Rao as Independent Director on the Board for a period of three years from

September 01, 2026 to August 31, 2029.

The Bank has received a notice in writing as per Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Sri. T.V Rao for the office of Director. The Nomination & Remuneration Committee of the Board has also conducted "due diligence" in accordance with the provisions of the Banking Regulation Act, 1949 and RBI guidelines and found that Sri. T.V Rao is "fit & proper" to be a director of the Bank. The Committee is also of the opinion that he fulfills the conditions and criteria specified in Section 149 of the Companies Act, 2013, Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable rules, regulations, guidelines and circulars for holding the office of independent director and that he is not debarred from holding the office of director by virtue of any SEBI order or any other such authority.

Accordingly, the Board of Directors recommend Resolution No. 6 of the Notice for approval.

The additional information as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 issued by The Institute of Company Secretaries of India is furnished as follows:

Date of Birth and age	August 04, 1965; 61 years
Nationality	Indian
Qualifications	MBA
Brief Resume, Experience and Nature of expertise in specific functional areas	Mr. T.V Rao has been a career Central Banker with over 35 years of service in the Reserve Bank of India (RBI) with experience in regulation and supervision of Banks and NBFCs, regulatory compliance, governance, payment systems, foreign exchange facilitation through Authorized Persons under the FEMA, 1999, financial inclusion, customer complaint resolution, etc. He had also represented RBI in the Board of a Grameen Bank for over 2 years. He retired as Chief General Manager in RBI. He has experience in formulation of policy of financial inclusion as well as exposure

	to RBI Data Warehouse where payment systems are operated. He also has experience in administrative processes, human resources management, etc., in RBI. In accordance with the provisions of Section 10A(2)(a) of the Banking Regulation Act, 1949, Sri. T.V Rao will be representing "Payments & Settlement Systems" on the Board of the Bank.
Terms and conditions of appointment / re-appointment along with details of remuneration	Sri. T.V Rao will be entitled to sitting fees for attending Board / Committee Meetings.
Details of Remuneration last drawn	Nil (appointed in the Meeting of the Board of Directors of the Bank held on August 08, 2026 and the appointment to be effective from September 01, 2026)
Date of first appointment on Board	September 01, 2026
Shareholding in the Bank as on the date of this Report	Nil
Relationship with other Directors, Manager and Key Managerial Personnel of the Bank	Nil
Number of Board Meetings attended during 2025-26	Nil (appointed in the Meeting of the Board of Directors of the Bank held on August 08, 2026 and the appointment to be effective from September 01, 2026)
Chairman / Member of Committees of Board of Directors of the Bank as on the date of this Notice	Nil

Directorship in other entities	Nil
Membership / Chairmanship of Committees of Boards of other listed companies as on the date of this Notice	Nil

Save and except Sri. T.V Rao, none of the Directors or Manager or Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution as set out at Item No. 6 of the Notice.

Item No.7

Philosophy and Reward Strategy:

The Bank has consistently upheld the philosophy of rewarding employees for delivering sustainable long-term performance, driving shareholder value creation, and maintaining external competitiveness with internal equity. Anchored in this philosophy, the Bank's reward strategy is guided by the following principles:

1. Rewards must be commensurate with performance and accountability;
2. Rewards must be aligned with long-term performance and shareholder value creation; and
3. Rewards must remain competitive to attract and retain key talent essential for achieving the Bank's strategic objectives.

Equity-Based Rewards:

By offering employees the opportunity to benefit from equity appreciation, distinct from fixed cash payouts through the achievement of long-term business objectives, the Bank seeks to reinforce a high-performance culture across its operations, thereby creating enduring value for shareholders. Employee stock options ("Options") serve as a powerful tool to attract, motivate, and retain top-tier talent, while also aligning individual performance with the Bank's long-term objectives.

Through this initiative, employees shall be empowered to invest in the Bank's future, fostering a sense of ownership and emotional commitment. It supports wealth creation, aligns employee interests with long-term business goals, and enhances shareholder value. This approach complements global best practices in total rewards, combining fixed pay, performance-linked bonuses, and long-term incentives.

Introduction of ESOP 2025:

In order to align employee interests with those of shareholders, retain and incentivize critical talent, and ensure sustained long-term performance, it is proposed to implement a new equity incentive plan, titled “Dhanlaxmi Bank Limited Employee Stock Option Plan – 2025” (“ESOP 2025” / “Plan”). The Plan provides for the grant of Options to eligible employees of the Bank who occupy critical positions or possess niche skills integral to the Bank's growth trajectory.

The ESOP 2025 has been formulated and recommended by the Nomination and Remuneration Committee (“Committee”) at its meeting held on June 29, 2026 and subsequently approved by the Board of Directors (“Board”) of the Bank at its meeting held on August 19, 2026, had approved the introduction of the ESOP 2025, subject to shareholders' approval.

In terms of Section 62(1)(b) of the Companies Act, 2013 (“the Act”) and Rules made thereunder read with Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SEBI SBEB Regulations”), the salient features of the ESOP 2025 are given as under:

a. Brief description of the Plan:

ESOP 2025 is a comprehensive plan to grant employee stock options (“Options”) to the eligible employees of the Bank which expression is defined in Clause C hereto, to subscribe to the equity shares of the Bank underlying the Options. The ESOP 2025 contemplates grant of the Options entitling an employee to apply for an equivalent number of equity shares of the Bank of face value of Rs. 10/- (Rupees Ten only) each subject to fulfilment of certain condition(s) as determined by the Committee.

Every grant of Options shall be governed by a vesting schedule and such other terms, as determined by the Committee at the time of each grant. After vesting, the employees may exercise the vested Options within the pre-defined exercise period. Each Option is convertible into 1 (one) equity share of the Bank upon vesting and exercise. The Bank shall issue shares upon exercise of vested Options, subject to fulfilment of certain condition(s) including payment of exercise price and satisfaction of tax obligations.

The Committee shall administer the ESOP 2025. All questions of interpretation of ESOP 2025 shall be determined by the Committee, and such determination shall be final and binding upon all persons having an interest in ESOP 2025.

b. Total number of Options to be offered and granted:

The total number of Options to be offered and granted under the ESOP 2025 shall not exceed Twenty Seven Million Six Hundred Twenty Eight Thousand and Nine Hundred Nineteen. Each Option when exercised would be converted into one equity share of face value of Rs. 10/- (Rupees Ten Only) each fully paid-up.

In case of any corporate action(s) including but not limited to rights issues, bonus issues, merger and sale of division etc., a fair and reasonable adjustment needs to be made to the Options granted. Accordingly, if any additional equity shares are required to be issued by the Bank to the eligible employees to make such fair and reasonable adjustment, the ceiling of equity shares as stated above shall be deemed to be increased to the extent of the additional equity shares required to be issued. The Committee shall determine the nature, manner and the extent of the adjustment to be made as a consequence of any corporate action, consolidation etc. The Options under ESOP 2025, that may lapse/ expire or are forfeited, will be available for grant to the eligible employees under this Plan.

c. Identification of classes of employees entitled to participate and be beneficiaries in the Plan:

The following class of employees are entitled to participate in ESOP 2025:

- a) an employee as designated by the Bank, who is exclusively working in India or outside India; or
- b) a director of the Bank, whether a whole time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director; but does not include
 - i. an employee who is a promoter or a person belonging to the promoter group; or
 - ii. a director who, either himself or through his relative or through anybody corporate, directly or indirectly, holds more than ten per cent of the outstanding shares of the Bank.

d. Requirements of Vesting and period of Vesting:

Committee shall determine the vesting period for the Options, provided that the Options granted to employees pursuant to ESOP 2025 shall vest within a maximum period of 4 (four) years from the grant date and there shall be a minimum period of 1 (one) year between the grant date and vesting of these Options.

In the event of death or permanent incapacity of an employee, the minimum

vesting period shall not be applicable and in such instances, all the unvested Options shall vest with effect from date of the death or permanent incapacity, as the case may be.

Vesting of Options would be subject to continued employment with the Bank and has not served any notice of resignation. In addition to this, the Committee may also specify certain performance criteria subject to satisfaction of which the Options would vest. The Committee shall have the authority to determine the performance parameters applicable to an employee or a class of employees, based on their respective roles, and to assign relative weightages to each parameter as it deems appropriate.

The specific vesting schedule and vesting conditions subject to which vesting would take place would be outlined in the document(s) given to the option grantee at the time of grant of Options.

e. Maximum period within which the options shall be vested:

Any Option granted under the ESOP 2025 shall be subject to a maximum vesting period of 4 (four) years from the date of grant of Options as specified above.

f. Exercise price or pricing formula:

The exercise price per Option shall be equal to the market price of the share as on the date of grant of Options i.e. the latest available closing price on a recognised stock exchange on which the shares of the Bank are listed and having registered the highest trading volume on the date immediately prior to the date of grant. The employee will also bear and pay the entire applicable tax in addition to the market price and shall accordingly be responsible to pay the applicable tax. However, the exercise price per Option shall not be less than the face value of the share as on the date of the grant of Options.

The specific exercise price shall be intimated to the option grantee in the grant letter at the time of grant.

g. Exercise period and the process of exercise:

The exercise period for vested Options shall be a maximum of 4 (four) years commencing from the relevant date of vesting of Options, or such other shorter period as may be prescribed by the Committee at time of grant. An employee can exercise all the Options vested in him, at one time or at various points of time within the exercise period. In case of death or permanent incapacity, the Committee may, at its discretion, allow such additional period for exercise which

shall not be more than 12 months from the original prescribed exercise period. The Options shall be deemed to have been exercised when an employee makes an application in writing to the Bank or by any other means as decided by the Committee, for the issue of shares against the Options vested in him, subject to payment of exercise price and compliance of other requisite conditions of exercise. The Options shall lapse if not exercised within the specified exercise period.

h. Appraisal process for determining the eligibility of employees under the Plan:

The eligibility of the employees for grant of Options shall be decided from time to time by the Committee. The broad criteria for review and selection may include parameters like grade, performance, merit, length of service, future potential contribution, conduct of the employee and such other relevant factors as may be deemed appropriate by it or as instructed by the Board. However, for new joiners, the broad criteria for selection shall be basis prior work experience, applicable skills, designated job role or such other factors as determined by the Committee.

i. Maximum number of options to be issued per employee and in aggregate:

The number of Options that may be granted under the ESOP 2025 per employee per grant and in aggregate (taking into account all grants) for such employees, shall be less than one percent of issued capital (excluding outstanding warrants and conversions) of the Bank.

j. Maximum quantum of benefits to be provided per employee under the Plan:

The employees will be entitled to the shares of the Bank on exercise of Options as per the terms provided under ESOP 2025.

The maximum quantum of benefits underlying the Options granted to an eligible employee shall be equal to the appreciation in the value of the Bank's equity shares determined as on the date of exercise of Options, on the basis of difference between the Option exercise price and the market price of the equity shares on the exercise date.

k. Route of the implementation:

The ESOP 2025 shall be implemented and administered directly by the Bank.

l. Source of acquisition of shares under the Plan:

The ESOP 2025 contemplates the issue of fresh equity shares by the Bank.

m. Amount of loan to be provided for implementation of the Plan by the Bank to the trust, its tenure, utilization, repayment terms, etc.:

Not currently contemplated under ESOP 2025 as the Plan is being implemented and administered directly by the Bank.

n. Maximum percentage of secondary acquisition:

Not currently contemplated under ESOP 2025 as the Plan is being implemented and administered directly by the Bank.

o. Accounting and Disclosure Policies:

The Bank shall follow the relevant accounting standards as may be prescribed by the Central Government in terms of Section 133 of the Act and/ or any relevant accounting standards/ guidance note as may be prescribed by the Institute of Chartered Accountants of India or any other competent authority, from time to time, including the disclosure requirements prescribed therein, in compliance with Regulation 15 of SEBI SBEB Regulations.

p. Method of Option valuation:

The Bank shall adopt 'fair value method' for valuation of Options as prescribed under IND AS 102 on share-based payments/ guidance note on accounting for share-based payments issued by ICAI or any accounting standard/ guidance note, as applicable, notified by competent authorities from time to time.

g. Declaration:

In case, the Bank opts for expensing of share-based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the Options and the impact of this difference on profits and on Earning Per Share (EPS) of the Bank shall also be disclosed in the Directors' Report. Currently, this statement is not applicable as the Bank shall adopt 'fair value method' for valuation of Options as prescribed under IND AS 102/ guidance note on accounting for share-based payments issued by ICAI.

r. Period of lock-in:

The equity shares issued pursuant to exercise of vested Options shall not be subject to any lock-in restriction in general. However, usual restrictions as may be prescribed under applicable law including that under the code of conduct framed

by the Bank under the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015, as amended, shall apply.

s. Applicability of Malus and Clawback:

The benefits accrued and / or availed under this ESOP 2025 including by virtue of grant and vesting of Options, shall be subject to the Malus and Clawback provisions under the Bank's Compensation Policy, as may be amended, replaced, restated, substituted from time to time, or as may be communicated by the Bank to the employees, or as per the code of conduct of the Bank or as per the employment contracts/terms, in accordance with the RBI Guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff dated November 4, 2019/ Reserve Bank of India (Commercial Banks-Governance) Directions, 2025 dated November 28, 2025, as may be amended, replaced, substituted, restated from time to time.

t. Terms & conditions for buyback, if any, of specified securities/ options covered granted under the Plan:

Subject to the provisions of the applicable law, the Board shall determine the procedure for buy-back of the specified securities/ Options granted under the ESOP 2025 if to be undertaken at any time by the Bank and the applicable terms and conditions thereof.

In terms of Section 62(1) (b) and other applicable provisions, if any, of the Act read with Rules thereunder and Regulation 6(1) and other applicable provisions of SEBI SBEB Regulations, the implementation of the ESOP 2025 and grant of Options to the employees of the Bank require approval of the shareholders by way of a special resolution. Therefore, the approval of the shareholders of the Bank is being sought to pass the special resolution as set out at item no. 7.

None of the Directors or Manager or Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution as set out at Item No. 7 of the Notice, except to the extent of their shareholding in the Bank or the Options that may be granted under the ESOP 2025. Accordingly, the Board of Directors recommend Resolution No. 7 of the Notice for approval.

Place: Thrissur
Date: August 19, 2026

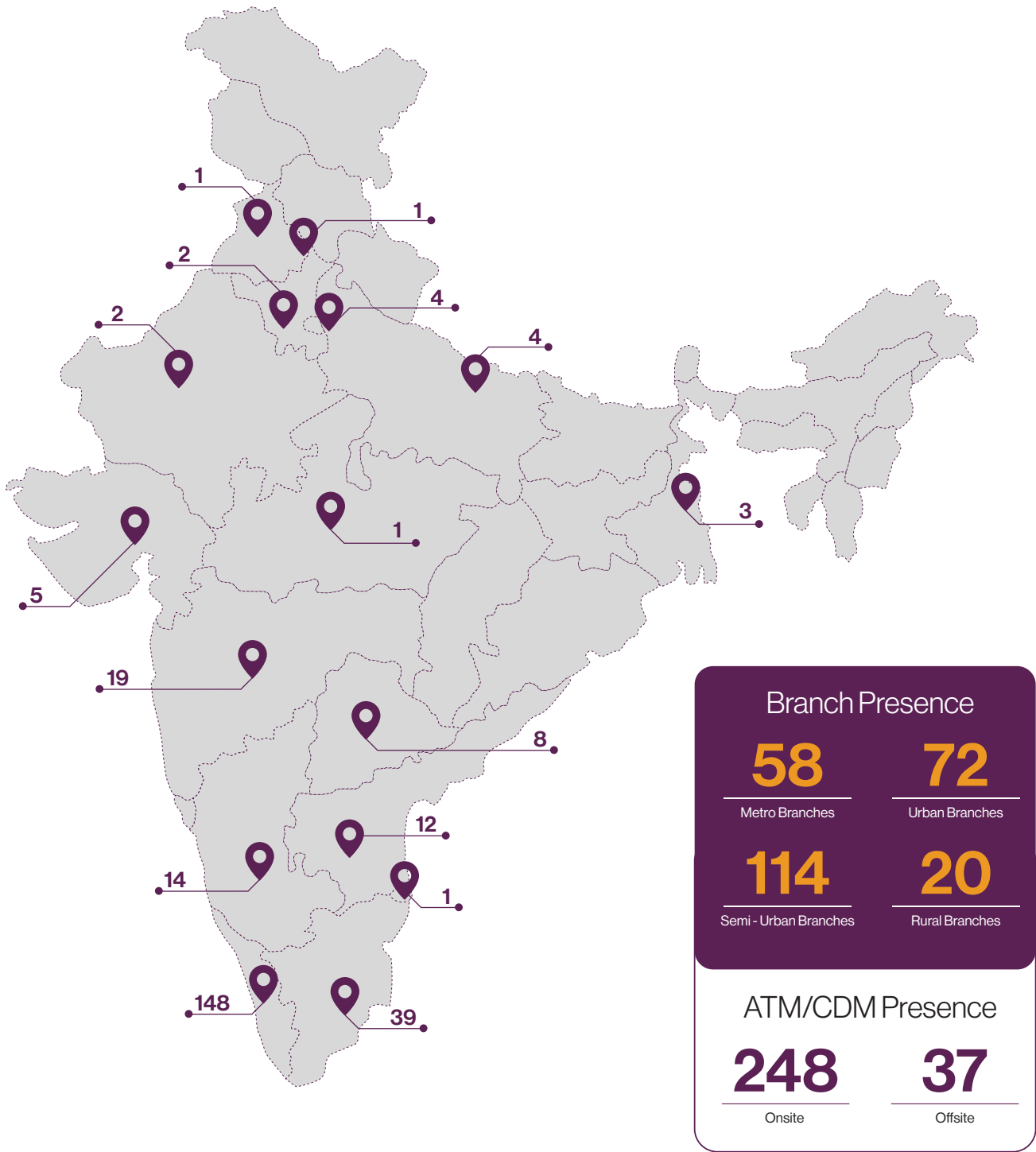
For and on behalf of the Board,
Sd/-
Venkatesh.H
Company Secretary &
Secretary to the Board

Shaping Tomorrow Together

Annual Report **2025-2026**



Over **549** customers touch points including **264** Branches, **285** ATMs and **2** corporate BCs





Vision

Banking on Relationships Forever

Mission

To Become a strong and Innovative Bank with Integrity and Social Responsibility to Maximise Customer Satisfaction as well as that of the Employees, Shareholders and the Society.

Board of Directors



K N Madhusoodanan
Chairman



Ajith Kumar K K
Managing Director & CEO



P Suriaraj
Executive Director



G Rajagopalan Nair
Independent Director



Dr. Nirmala Padmanabhan
Independent Director



Vardhini Kalyanaraman
Independent Director



Dr. Jineesh Nath C K
Director



Ashutosh Khajuria
Independent Director



Rajan T K
Additional Director
(Non-Executive Independent)



T V Rao
Additional Director
(Non-Executive Independent)
(w.e.f. 01.09.2026)



C Nageswara Rao
RBI Additional Director



Sujatha J
RBI Additional Director

Corporate Information

Registered Office

Dhanlaxmi Bank Limited, P.B No.9,
Dhanalakshmi Buildings,
Naickanal, Thrissur - 680001

Corporate Office

Dhanlaxmi Bank Limited
Punkunnam, Thrissur - 680002
Kindly refer the website for other offices

Secretarial Auditors

Sri M. Vasudevan F.C.S.
Practicing Company Secretary,
Soorya Gardens Apartments,
Paliyam Road, Thrissur - 680001

Statutory Auditors

Sagar and Associates,
Chartered Accountants,
Hyderabad

Abraham & Jose
Chartered Accountants,
Mission Quarters Road, Thrissur

Legal Advisors

M/s. Menon & Pai, Ernakulam
M/s. B S Krishnan Associates, Ernakulam
M/s. C K Karunakaran & Associates,
Ernakulam

Stock Exchanges

National Stock Exchange of India
Limited (NSE)
BSE Limited (Formely Known as
Bombay Stock Exchange Limited)

Registrar & Transfer Agents

M/s.Kfin Technologies Limited
(Previously Known as M/s.Karvy
Fintech Private Limited)
"Selenium Tower B", Plot No.31 & 32,
Financial District, Nanakramguda,
Serilingampally, Hyderabad - 500 032

Chief Financial Officer

Krishnakumar K

Company Secretary & Secretary To the Board

Venkatesh H

General Managers

John Varughese	Santoy John
Balasubramanian R	Santhosh Kumar R
Satheesan V	Krishnakumar K
Gopalakrishnan V N	

Deputy General Managers

Sreekumar M P	Binoy B S
Sunny George	Rajan Sreeba
Rajesh P	Kavitha T A
Abhilash R	Biju Kumar P H
Sijo Joseph	Arun Somanathan Nair
Ranjith P	Sunil Kumar A
Abhiram Unni M	Raghunath R

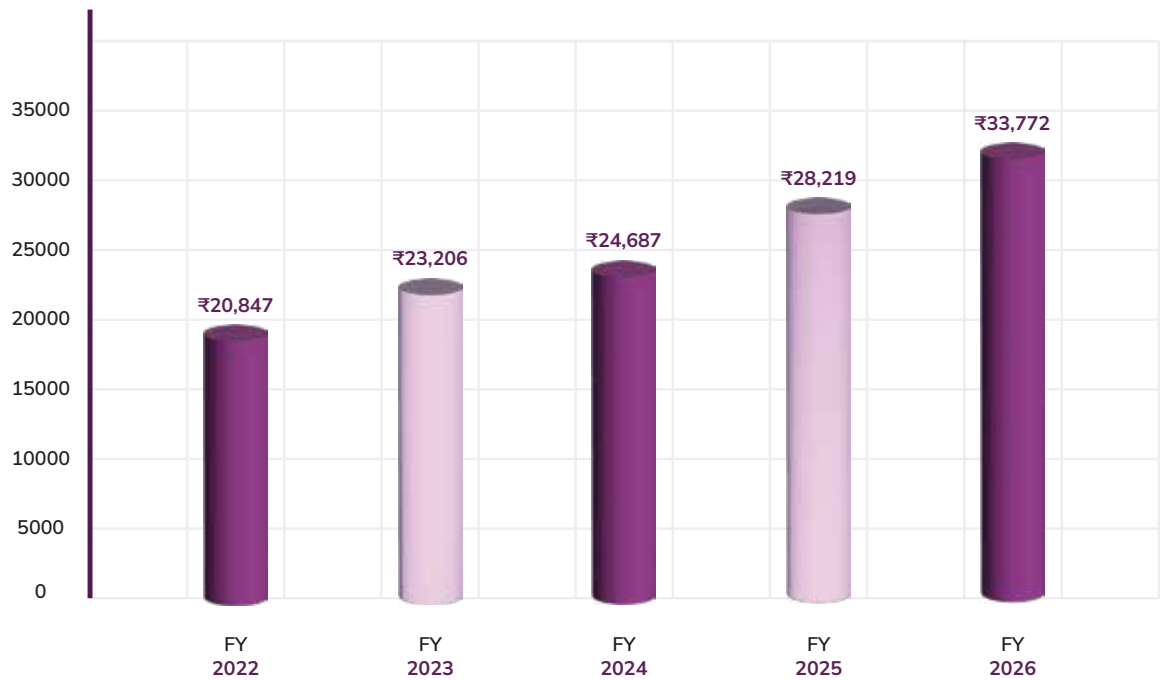
Assistant General Managers

Anup Nair	Sunil K
Krishna Kumar A	Manoj S J
Aneesh S	Jimmy P
Vikram Baranwal	Sreekanth V V
Pradeep A	Venkatesh H
Suresh Kumar P V	Binoy V G
Jerry Thanangadan	Nimish P N
Ani K Nair	Saji P
Sundaresan K	Ravi Teja M
Sreekumar K	Rejaneesh V Pillai

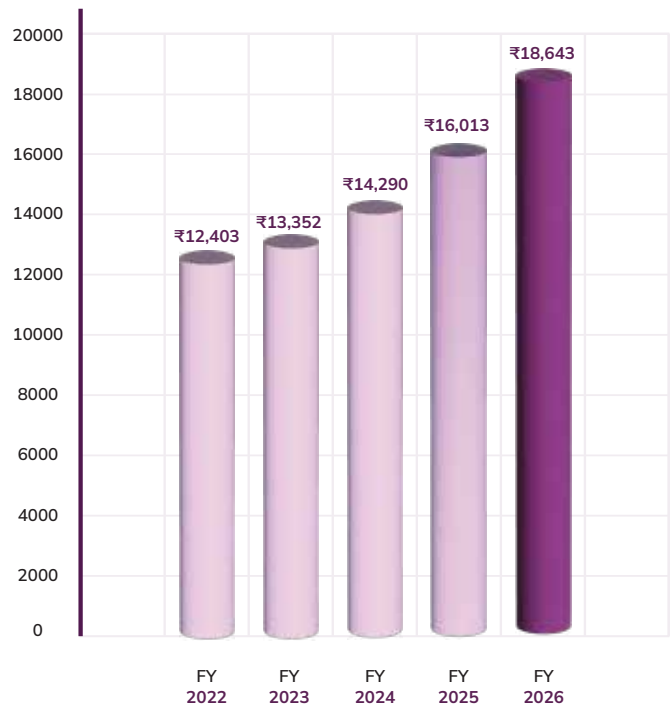
PERFORMANCE DASHBOARD

(Value in Cr)

Total Business



Total Deposits



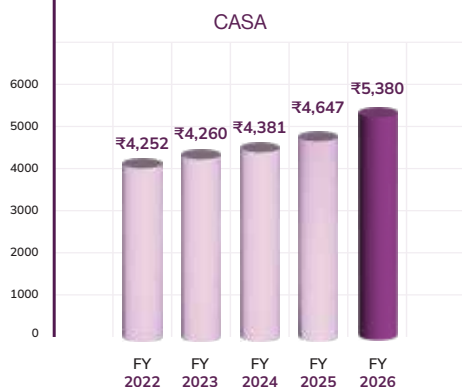
Gross Advance



PERFORMANCE DASHBOARD

(Value in Cr)

Deposit Composition

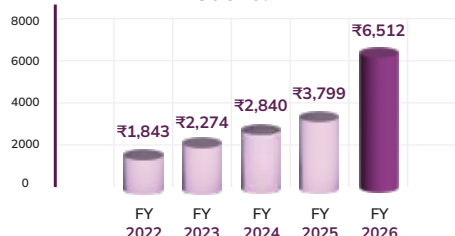


Advance Composition

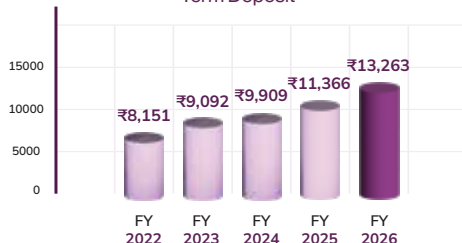
Retail Advance (Excl. Gold and Corporate)



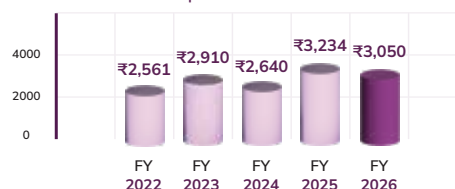
Gold Loan



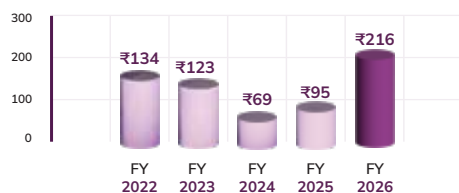
Term Deposit



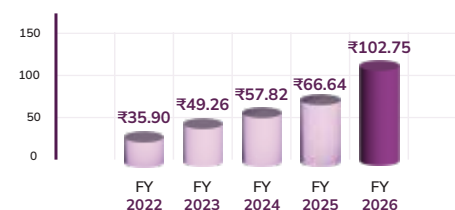
Corporate Advance



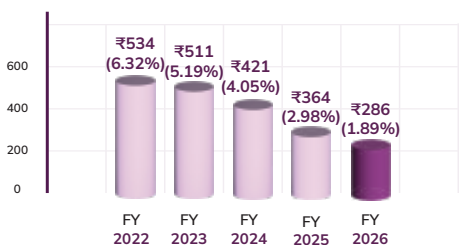
Operating Profit



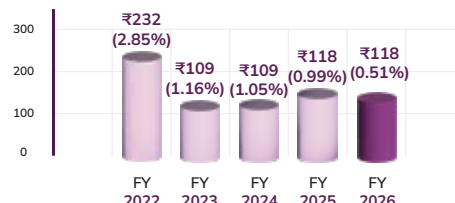
Net Profit



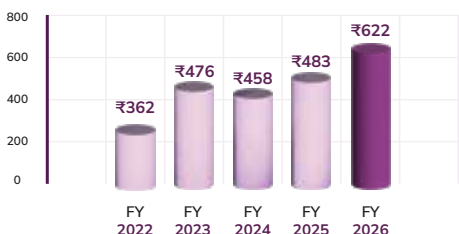
Gross NPA



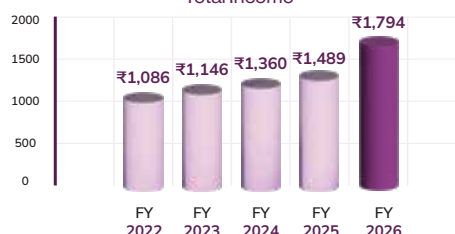
Net NPA



Net Interest Income



Total Income





Chairman's Message

Dear Shareholders,

It gives me immense pleasure to present the Annual Report of Dhanlaxmi Bank for the financial year 2025–26. The year reflects the Bank's unwavering commitment to sustainable growth, responsible banking, and the trust reposed in us by our customers, shareholders, employees, and other stakeholders. With utmost joy, this Bank, which was established years back as a small bank in the small town of Thrissur by a group of enterprising people, is entering into its 100th year of operations a few days from now. At this juncture, I humbly bow my head before the memories of its visionary founders as well as the early patrons whose untiring efforts, which are inspiring for younger generations, had helped the Bank to move forward.

During the year, the Bank registered encouraging growth in deposits, advances, income, and operating profitability. We remained focused on understanding the evolving needs of our customers and delivering banking services that are faster, safer, and more convenient. Significant investments were made to strengthen our digital capabilities and enhance the overall customer experience, enabling us to offer innovative and seamless banking solutions.

Customer centricity continues to be at the heart of everything we do. Service excellence, transparency, integrity, and long-term relationships remain the cornerstones of our business philosophy. We are committed to delivering superior value to our customers while maintaining the highest standards of governance and operational excellence.

As we move forward, our focus will remain on sustainable growth, financial resilience, and long-term value creation. We will continue to strengthen our products, services, and digital infrastructure while embracing innovation to meet the changing expectations of our customers. We are confident that the Bank is well-positioned to capitalize on future opportunities and navigate the evolving financial landscape with strength and agility.

I extend my sincere gratitude to our valued customers, shareholders, employees, business partners, and regulators for their continued trust, confidence, and unwavering support. Their encouragement has been instrumental in the Bank's progress and success.

Together, let us continue to uphold our legacy of trust and move forward with confidence towards a future defined by innovation, sustainable growth, and enduring value creation. Let us always uphold the Vision of Dhanlaxmi Bank "Banking on Relationships forever".

With warm regards,

K N Madhusoodanan
Chairman



MD & CEO'S Message

Dear Shareholders,

As Dhanlaxmi Bank moves towards its historic centenary in 2027, we reflect with pride on a journey built on trust, resilience and unwavering commitment to our stakeholders. From our humble beginnings in Thrissur in 1927, the Bank has evolved into a trusted financial institution, deeply rooted in tradition while embracing the opportunities of a dynamic future. I consider it a privilege to present the annual report for the financial year 2025-26, a year that reset many benchmarks in the history of the Bank.

The financial year 2025-26 marks another significant milestone in our transformation journey. Having successfully navigated a challenging phase over the past decade, the Bank has emerged stronger, driven by the collective efforts of our employees, the confidence of our customers, the guidance of our Board of Directors and the continued support of all our stakeholders.

Despite the evolving economic environment and emerging challenges, the Bank remained resilient and continued its growth journey with a clear strategic focus and prudent business practices. We undertook several initiatives to enhance operational efficiency, strengthen risk management and internal controls and leverage technology to improve overall performance. These efforts have enabled us to achieve notable progress across key financial and operational parameters.

Our performance reflects the strength of this foundation. We strengthened our balance sheet, enhanced asset quality and maintained prudent risk management practices. Our Gold Loan, Retail, MSME and CASA businesses have continued to record encouraging momentum, while our digital transformation initiatives are enabling us to deliver faster, simpler and more customer-centric banking experiences. The renewed enthusiasm in our forex business is another area we are really looking to build upon in the days ahead.

Often referred to as 'God's Own Bank' because of our long-standing association with the divine centres, we remain committed to preserving the trust that generations of customers have placed in us. We are also investing in our technology-driven products to welcome 'Gen Zs' and 'Gen Alphas' on board to ensure our commitment to responsible banking, sustainable growth and creating lasting value across all stakeholders.

Looking ahead, we aspire to sustain the business growth we achieved in FY 2025-26, expand our presence across key markets, strengthen our retail franchise, accelerate digital innovation and continue investing in our people. With disciplined execution and customer-centric innovation, we are confident of building a stronger, future-ready institution.

On behalf of the Board and the Management, I extend my heartfelt gratitude to our shareholders, customers, employees, regulators, business partners and well-wishers for their continued trust and support. Your confidence has been the cornerstone of our progress and inspires us to strive for greater excellence.

As we enter the final phase of our journey towards 100 years of banking excellence, we remain committed to building a resilient, progressive and trusted Bank for generations to come.

Thank you for your unwavering support.

Warm regards,

Ajith Kumar K K
Managing Director & CEO

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Directors' Report

Dear Shareholders,

The Board of Directors takes great pleasure to present the 99th Annual Report on the business and operations of Dhanlaxmi Bank Limited ("the Bank"), together with the audited accounts for the financial year ended March 31, 2026. The Report highlights the performance and achievements of the Bank during the year along with the new initiatives undertaken by the Bank.

Performance Highlights

The Bank's performance Highlights for the financial year ended March 31, 2026 are as follows:

₹ in Crore

	March 31, 2026	March 31, 2025
Total Business	↑ 33771.57	28219.11
Deposits	↑ 18642.88	16013.45
Advance (Gross)	↑ 15128.69	12205.66
Total Income	↑ 1793.87	1489.08
Total Expenditure	↑ 1577.59	1393.98
Net Interest Income	↑ 622.33	483.29
Operating Profit	↑ 216.28	95.10
Net Profit	↑ 102.75	66.64
Gross NPA %	↓ 1.89	2.98
Net NPA%	↓ 0.51	0.99
Provision Coverage Ratio% (incl. Technical write off)	↑ 92.46	88.84
Provision Coverage Ratio% (Excl. Technical Write off)	↑ 73.67	67.61
CRAR%	↑ 18.92	16.12
Return on Assets%	↑ 0.53	0.40
Return on Equity%	↑ 6.97	4.78
Earnings Per Share (in ₹)	↑ 2.60	2.37

Bank's Geographical Spread & Expansion Programme

- The Bank has 264 branches as on 31st March, 2026 spread across 14 States and 2 Union Territories. During the financial year, Bank opened branches in Sulthan Bathery in Wayanad District, Kerala and Dindigul and Thiruporur in Tamil Nadu.
- Out of 264 branches, 20 branches are in rural category, 114 in Semi Urban, 72 in Urban and 58 in Metropolitan Category
- The Bank had 285 ATMs/CRMs as on March 31, 2026
- The Reserve Bank of India, vide Letter No. CO.DOR.RAUG. No. S6450/22-03-049/2025-2026 Dated November 19, 2025, approved the Bank's request for reinstatement of general permission for opening, shifting, merger, conversion, and closure of banking outlets.

Total Business

Total business of the Bank improved by 19.67% to reach ₹33771.57 Crore as on 31.03.2026, from ₹28219.11 Crore as on 31.03.2025.

Deposits

Deposits recorded a growth of 16.42%, reaching ₹18,642.88 Crore as of March 31, 2026, compared to ₹16,013.45 Crore as of March 31, 2025. Current Account and Savings Account (CASA) deposits recorded a growth of 15.78%, reaching ₹5,380 Crore as of March 31, 2026, compared to ₹4,647 Crore as of March 31, 2025. The CASA-to-total deposits ratio stood at 28.86% as of March 31, 2026

Gross advances stood at ₹15128.69 Crore as of March 31, 2026, compared to ₹12205.66 Crore as of March 31, 2025, registering a growth of 23.95%.

The CD ratio as of March 31, 2026, was 81.15%

Profitability

The total income (Interest Income + Non-Interest Income) as of March 31, 2026 was ₹1793.87 Crore, compared to ₹1489.08 Crore as of March 31, 2025, registering a growth of 20.47%. Interest income increased by 21.34% year-on-year, reaching ₹1601.48 Crore as of March 31, 2026, compared to ₹1319.88 Crore as of March 31, 2025. Similarly, non-interest income increased by 13.71% year-on-year, reaching ₹192.39 Crore as of March 31, 2026, compared to ₹169.20 Crore as of March 31, 2025.

Changes in interest rates have impacted the Net Interest Income (NII) of the Bank, which has increased by 28.77% on a year-over-year (YoY) basis. Interest expenses have increased by 17.04% YoY to ₹979.15 Crore as of March 31, 2026, from ₹836.59 Crore as of March 31, 2025. Operating expenses also increased by ₹41.05 Crore, to ₹598.44 Crore as on March 31, 2026 from ₹557.39 Crore as on March 31, 2025.

Cost to Income Ratio as on March 31, 2026 was 73.45% against 85.42% as on March 31, 2025.

Operating profit during the year was ₹216.28 Crore as against ₹95.10 Crore during the previous year. The Bank declared a net Profit of ₹102.75 Crore during the year under report and for the previous year, the Bank had declared a net profit of ₹66.64 Crore.

Capital and Reserves

Bank's Paid-up capital and reserves was ₹1473.92 Crore as on 31.03.2026. The capital adequacy ratio as per Basel III was 18.92% with Core CRAR of 16.11%.

Capital Market Activities During FY 2025-26

Pursuant to the approval accorded by the shareholders of the Bank at the Extraordinary General Meeting (EGM) held on March 18, 2025, the Bank successfully issued and allotted 150 redeemable, non-convertible unsecured debentures (Basel III compliant Tier II Bonds) (ISIN: INE680A08099) aggregating to ₹150 Crore on private placement basis during April 2025. The proceeds of the issue are being utilized to augment the Bank's Tier II Capital, strengthen overall capital adequacy, and enhance long-term resources to support business growth.

The Board places on record its sincere appreciation to the shareholders and stakeholders for their continued trust in the Bank and participation in this capital-raising exercise. The Board also extends its gratitude to the Merchant Bankers, Legal Counsels, Trustees to the Bond Issue, Registrar and Transfer Agents, Bankers to the Issue, and the Bank's Central Statutory Auditors for their valuable support in the successful completion of the issue. The Bank acknowledges with thanks the guidance and cooperation extended by the Regulators and the Stock Exchanges. The details of the issue of bonds are included in the Report on Corporate Governance forming part of the Directors' Report.

Dividend

The Board of Directors of the Bank has not recommended any dividend for the financial year 2025 - 2026.

Non - Performing Assets

Gross NPA and Net NPA percentage stood at 1.89% and 0.51% respectively as on 31.03.2026 against 2.98% and 0.99% as on 31.03.2025.

The provision coverage ratio (PCR) as on 31.03.2026 was 92.46% which was 88.84% in the previous year.

Vision & Mission

Our Vision: "Banking on Relationships forever".

Our Mission: To Become a Strong and Innovative Bank with Integrity and Social Responsibility to Maximize Customer Satisfaction as well as that of the Employees, Shareholders and the Society.

Customer Service

The Bank accords high importance to the quality of customer service rendered across its branches / offices. The Bank initiated a series of measures during the year through deployment of technology and significantly enhancing service quality. A well-defined and full-fledged Customer Grievance Redressal Mechanism has been put in place in the Bank.

The Customer Service Committees comprising of Bank personnel as well as our constituents monitor the implementation of customer service measures periodically. Customer Service Committee of the Board has been formed at the apex level and committees at branches for monitoring service quality and bringing about

improvements in this area on an ongoing basis. The Bank has a dedicated Customer grievance redressal division at corporate office Thrissur and customer service 24 x 7 Phone Banking Call Centre at Chennai to cater to customer needs across the country. In the financial year 2025-26, the Bank registered 12483 complaints, as against 13538 complaints in 2024-25.

Compliance with Rights of Persons with Disabilities Act, 2016

The Bank is committed to providing accessible and inclusive banking services to Persons with Disabilities (PwDs), in accordance with the Rights of Persons with Disabilities Act, 2016 and guidelines issued by the Reserve Bank of India (RBI) and the Securities and Exchange Board of India (SEBI).

Key initiatives undertaken include:

- Provision of ramps and other accessibility features at branches for easy access
- Designated service counters and priority assistance for PwDs
- Staff assistance for availing banking services and conducting transactions
- Implementation of website accessibility features in line with WCAG 2.1 Level AA standards
- Availability of accessibility tools on the Bank's corporate website to enable customized browsing

The Bank periodically reviews its facilities and services to ensure equitable, dignified, and convenient access to banking for all stakeholders.

The following important products and services / initiatives were introduced during the period for the benefit of the customers:

1. Introduced new deposit products, "FCNR(B) Premium Deposit"
2. Implemented TAB based application to facilitate Account Opening, Re-KYC and customer service requests
3. Integrated UPI with the GSTN (PAYTAX) application to enhance customer convenience
4. Automation of the Retail Loan processing through implementation of Loan Origination System
5. Automated PMJJBY and PMSBY renewals to ensure seamless policy continuity, enhance operational efficiency and improve customer experience
6. Migrated the public domain to 'dhan.bank.in' in line with the regulatory requirement to adopt a secure and compliant '.bank.in' domain for enhanced trust, authentication, and protection against phishing and other cyber threats
7. Enabled ECS-based collection of Recurring Deposits to ensure automated payments and improve customer convenience
8. Introduced SMS-based blocking of Retail Internet Banking and Mobile Banking services to enhance customer security and enable swift response to potential fraud

9. Upgraded all branches to 'B' category in Core System to enable pan-branch forex transactions and enhance customer access to forex services
10. Real-time fraud monitoring of digital channels strengthened to enhance customer security
11. Enabled end-to-end online Re-KYC through Retail Internet Banking to enhance customer convenience
12. Enabled UPI onboarding and transactions for customers with international mobile numbers, enhancing global accessibility and digital payment adoption
13. Enabled Digital KYC for differently abled persons promoting inclusive banking and enhancing customer onboarding experience
14. Digitized ATM withdrawal dispute handling via Mobile Banking, reducing manual intervention and enabling faster resolution and tracking
15. Enabled UPI services for Dhanam Genius and Dhanam Yuvak customers upon attaining 18 years, ensuring seamless transition to full digital banking capabilities
16. Launched 'ASHRAYA' application to streamline and digitize death claim settlement processes
17. Enabled online modification of communication address via Retail Internet Banking and Mobile Banking, empowering customers with secure and convenient self-service option
18. Digitized the credit card closure process in RIB & MB, minimizing manual intervention and improving turnaround time
19. Enabled delegated payment functionality (UPI Circle) in UPI
20. Strengthened the UPI ecosystem by introducing exclusive UPI IDs with the '@validdlb' handle for SEBI-registered intermediaries to collect funds from the investors through UPI
21. Enabled net banking registration using credit card details- simplifying the onboarding process and improving customer convenience
22. Strengthened dispute handling of digital transactions through UDIR in Retail Internet Banking and Mobile Banking, minimizing manual intervention and enhancing resolution efficiency
23. The Bank has partnered with Arppan Online, a leading service provider for temple solutions for bill generation and collections and is integrated with different mode of payments like Cards, UPI and Cash
24. The Bank has entered into a tie-up with M/s. Atyati Technologies as a Corporate Business Correspondent under the Financial Inclusion initiative

Listing on Stock Exchanges

The Equity shares of the Bank are listed on BSE Ltd. and the National Stock Exchange of India Ltd. The Bank confirms that it has paid the listing fees to the Stock Exchanges for the financial year 2026-27.

Green Initiatives in Corporate Governance

The Bank supports and pursues the 'Green Initiative' of the Ministry of Corporate Affairs. All the documents including the notice and explanatory statement of Annual General Meeting, Audited Financial Statements, Directors' Report and Auditors' Report are being sent electronically to all shareholders who have registered their e-mail addresses with their Depository Participants or with the Bank / Registrar & Transfer Agents. Shareholders holding shares in electronic form are requested to update their e mail addresses in their respective DP accounts. Shareholders holding shares in physical form are requested to update their e mail addresses with Bank's Registrar and Transfer Agents by a written request for enabling the Bank to ensure electronic dispatch of the aforesaid documents. A letter providing the web-link, including the exact path, where the complete details of the Annual Report are available is also being sent to those shareholder(s) who have not so registered their e-mail addresses.

Directors

The composition of the Board of Directors of the Bank is in accordance with the provisions of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Banking Regulation Act, 1949, guidelines issued by the Reserve Bank of India ("RBI") and the best practices of Corporate Governance. As on March 31, 2026, the Board of Directors of the Bank had 10 Directors comprising of the Chairman, Managing Director & CEO, Executive Director, 4 non-executive Independent Directors, one non-executive non independent Director and 2 Additional Directors appointed by the Reserve Bank of India under Section 36AB of the Banking Regulation Act, 1949. Our Chairman is also an Independent Non-Executive Director.

All the Directors have rich experience and specialized knowledge in various sectors like banking, risk management, agriculture & rural economy, small scale industry, information technology, economics, accountancy, etc. The remuneration / sitting fees paid to the Directors during the year are disclosed in the Report on Corporate Governance.

There were 5 independent Directors on the Board of the Bank as on March 31, 2026. Declarations have been taken from all the Independent Directors as required under the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and the guidelines issued by RBI.

In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are persons of high integrity and repute. They fulfil the conditions specified in the Act and the Rules made thereunder and are independent of the Management.

There are no changes in any of the above information from March 31, 2026 to the date of this Report, except for the following:

1. In the Meeting of the Board of Directors of the Bank held on 29.07.2026, Sri Rajan T.K was appointed as Additional Director (Non-Executive Independent) of the Bank w.e.f. July 29, 2026. His term of appointment as Non-Executive Independent Director will be for five years w.e.f. July 29, 2026, subject to the approval of the Shareholders of the Bank in the Annual General Meeting to be held on Wednesday, September 23, 2026. Sri Rajan T.K will be representing "Information Technology" as required under Section 10(2)(a) of the Banking Regulation Act, 1949.
2. In the Meeting of the Board of Directors of the Bank held on 07.08.2026, Sri T.V Rao was appointed as Additional Director (Non-Executive Independent) of the Bank w.e.f. September 01, 2026. His term of appointment as Non-Executive Independent Director will be for three years w.e.f. September 01, 2026, subject to the approval of the Shareholders of the Bank in the Annual General Meeting to be held on Wednesday, September 23, 2026. Sri T.V Rao will be representing "Payment & Settlement Systems" as required under Section 10(2)(a) of the Banking Regulation Act, 1949.

Detailed profiles of all the Board Members are available on the Bank's website at <https://www.dhan.bank.in/board-of-directors/>.

Changes in the Board during the year 2025-2026

1. Sri Ashutosh Khajuria was appointed as Director (Non-Executive Independent) on the Board of the Bank w.e.f March 22, 2025 and his appointment as Independent Director for a period of 5 years w.e.f March 22, 2025 was approved by the Shareholders of the Bank vide postal ballot on June 16, 2025.
2. Dr. Jineesh Nath C.K was re-appointed as Non-Independent Non-Executive Director, liable to retire by rotation, at the Annual General Meeting of the Bank held on September 29, 2025.
3. Sri C. Nageswara Rao, General Manager, Reserve Bank of India was appointed by Reserve Bank of India as Additional Director on the Board of the Bank in accordance with the provisions of Section 36AB (1) of the Banking Regulation Act, 1949 from November 18, 2023 to November 17, 2025. RBI has further extended the term of office of Sri C. Nageswara Rao for a further period of two years from November 18, 2025 to November 17, 2027 or till further orders, whichever is earlier.
4. Reserve Bank of India has appointed Ms. Sujatha J, General Manager, Reserve Bank of India as Additional Director on the Board of the Bank in accordance with the provisions of Section 36AB (1) of the Banking Regulation Act, 1949, in place of Sri D K Kashyap, for a period of two years from November 19, 2025 to November 18, 2027 or till further orders, whichever is earlier.

Changes in Directors during the year 2026-27 till the date of the report

1. In the Meeting of the Board of Directors of the Bank held on 29.07.2026, Sri Rajan T.K was appointed as Additional Director (Non-Executive Independent) of the Bank w.e.f. July 29, 2026. His term of appointment as Non-Executive Independent Director will be for five years w.e.f. July 29, 2026, subject to the approval of the Shareholders of the Bank in the Annual General Meeting to be held on Wednesday, September 23, 2026.
2. In the Meeting of the Board of Directors of the Bank held on 07.08.2026, Sri T.V Rao was appointed as Additional Director (Non-Executive Independent) of the Bank w.e.f. September 01, 2026. His term of appointment as Non-Executive Independent Director will be for three years w.e.f. September 01, 2026, subject to the approval of the Shareholders of the Bank in the Annual General Meeting to be held on Wednesday, September 23, 2026.

Composition of Audit Committee

As on March 31, 2026, the Bank had a 5-member Audit Committee of the Board (including 2 RBI Additional Directors). All the five members of the Committee were non-executive Directors. Ms. Vardhini Kalyanaraman is the Chairperson of the Committee. The other Members of the Committee are Sri G. Rajagopalan Nair, Dr. Jineesh Nath C.K, Sri C. Nageswara Rao and Ms. Sujatha J. The composition as well as the terms of reference of the Committee are in accordance with the provisions of the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, the Banking Regulation Act, 1949 and the guidelines issued by Reserve Bank of India.

Declaration By Independent Directors

The Bank has duly obtained necessary declarations from each independent Director under Section 149(7) of the Companies Act, 2013 that he/she meets the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Bank has also obtained the 'Fit & Proper' declarations from all Directors as prescribed under the guidelines issued by Reserve Bank of India. Pursuant to the notification of the Ministry of Corporate Affairs dated October 22, 2019, an online data bank for the independent directors ("Data Bank") has been rolled out by the Indian Institute of Corporate Affairs. All the Independent Directors of the Bank have registered themselves in the Data Bank.

Policy on appointment and remuneration of Directors

The Nomination & Remuneration Committee of the Board recommends the appointment / reappointment / continuation of the Directors to the Board after conducting due diligence on

the Directors on the basis of the “fit & proper” criteria prescribed under the guidelines issued by Reserve Bank of India along with the provisions of the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Nomination Policy approved by the Board. The Board will take the appropriate action based on the recommendations of the Committee.

The criteria for determining qualifications, positive attributes and independence of Directors to be appointed / re-appointed or for continuation of Directors include, inter-alia, the following:

- Ensuring that the appointment / re-appointment / continuation is in conformity with the provisions of the Banking Regulation Act, 1949, RBI guidelines, Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Ensuring that the criteria for independence of Directors as stated in the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is complied with, in case of independent Directors
- Ensuring that the person does not attract any disqualification as per the provisions of the Banking Regulation Act, 1949, RBI guidelines, the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- Special knowledge or practical experience in various fields as enumerated in Section 10A(2)(a) of the Banking Regulation Act, 1949 or any other field which may be useful to the Bank;
- Professional knowledge and experience;
- Experience in the field of banking / finance sectors;
- Interest in NBFCs and other entities;
- Relatives connected with the Bank;
- Fund and non-fund facilities availed from the Bank;
- Defaults, if any, by the Director or interested entities with respect to the credit facilities availed from any Bank;
- Professional achievements relevant to the office of Directorship;
- Prosecution, if any, pending or commenced or resulting in conviction in the past against the director and / or against any of the interested entities for violation of economic laws and regulations;
- Criminal prosecution, if any, pending or commenced or resulting in conviction in the past against the Director;
- Any other factors as the Nomination & Remuneration Committee may think fit for the purpose of considering the appointment / re-appointment / continuation as Director

The Bank has a Board approved Compensation Policy which deals with the compensation & benefits of the Employees of the Bank.

The objectives of the Compensation Policy of the Bank inter-alia includes, to provide a fair and persistent basis for motivating, inspiring and rewarding the employees appropriately, according

to their jobs/role size, performance, accomplishments, contribution, skill, aptitude and competence to implement standards on sound compensation practices and incentives and to provide effective governance of compensation payable to the employees, alignment of compensation with prudent risk taking and effective supervisory oversight. The disclosure requirement of the remuneration is separately provided in “Disclosure under Basel III norms.”

The Board considers the recommendations of the Nomination & Remuneration Committee and approves the remuneration, with or without modifications, subject to regulatory approvals. The remuneration payable to MD & CEO / Whole-time Directors is subject to prior approval of the Reserve Bank of India (RBI). Therefore, the remuneration or any revision in remuneration to MD & CEO / Whole-time Directors is payable only after receipt of the approval from RBI.

The non-executive Directors are paid sitting fees for attending each meeting of the Board of Directors or any Committee thereof as approved by the Board, within the permissible limits prescribed under the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other regulatory guidelines, as amended from time to time. The Board while recommending any change in the sitting fees considers various factors like size and complexity of organization, comparison with the peer banks and regulatory guidelines as applicable. Apart from sitting fees, the Bank does not pay any other remuneration to the non-executive Directors.

The total remuneration paid to MD & CEO, Executive Director and non-executive Directors for the financial year 2025-26 is included in the Report on Corporate Governance forming part of this Report.

The Remuneration Policy of the Bank is hosted on the website of the Bank <https://www.dhan.bank.in/pdf/Nomination-and-Remuneration-Policy-8.0.pdf>.

Board Level Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the performance evaluation of the Board as a whole, the individual Directors and various Committees of the Board are undertaken annually. The evaluation of the individual Directors is being done in the absence of the Director being evaluated. A separate meeting of independent Directors, held once a year, evaluates the performance of non-independent Directors, Chairman and the Board as a whole. The criteria for performance evaluation of Directors, Board and its Committees include, inter-alia, the following:

- Attendance at Board and various Committee meetings;
- Participation and contribution in Board and Committee meetings;

- Composition of the Board and its diversity;
- Roles of various Committees of the Board;
- Compliance and understanding of regulatory requirements;
- Contribution to effective corporate governance and transparency in the Bank's operations;
- Updation of Knowledge and familiarization programmes conducted for Directors;
- Appropriateness of decisions made by the Board and its Committees;
- Quality, quantity and timeliness of flow of information to the Board;
- Understanding by individual Directors for their roles and responsibilities as Director;
- Contributions towards the performance and strategies of the Bank;
- Conduct of Meetings;
- Professionalism in the Board and Committees

Number of Board Meetings

A total of 14 Board Meetings were held during the year. The Board meetings were held in accordance with the regulatory requirements. The details of the meetings held are provided in the Corporate Governance Report that forms part of this Report.

Changes in Key Managerial Personnel (KMP)

During the Financial Year 2025-26, there were no changes in the Key Managerial Personnel (KMP).

Subsequent to the close of the financial year, Mr. Krishnakumar K has taken charge as the Chief Financial Officer of the Bank from Ms. Kavitha T.A with effect from July 10, 2026.

Except for the above, there are no other changes in the Key Managerial Personnel (KMP).

Particulars of employees

The Bank continues to uphold its commitment to building a dynamic and diverse workforce. The total number of employees of the Bank as at the closure of the financial year ended March 31, 2026 was 1856, of which:

- Number of male employees: 1076
- Number of female employees: 780
- Number of transgender employees: 0

The Bank has no employee whose particulars are required to be given in terms of Section 197 of the Companies Act, 2013 read with Rule 5 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The ratio of the remuneration of each Director to the median employees' remuneration and other details in terms of Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report.

Number of cases filed, if any, and their disposal under Section 22 of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

The relevant information is included in the Report on Corporate Governance forming part of the Directors' Report.

Maternity Benefit provided by the Bank under Maternity Benefit Act, 1961

The Bank declares that it has duly complied with the provisions of the Maternity Benefit Act, 1961. All eligible women employees have been extended the statutory benefits prescribed under the Act, including paid maternity leave, continuity of salary and service during the leave period, and post-maternity support as applicable. The Bank remains committed to fostering an inclusive and supportive work environment that upholds the rights and welfare of its women employees in accordance with applicable laws.

Statutory Central Auditors and the Auditors' Report

The shareholders had at the 98th Annual General Meeting of the Bank held on September 29, 2025, appointed M/s. Sagar & Associates, Chartered Accountants, Hyderabad (FRN-003510S) and M/s. Abraham & Jose, Chartered Accountants, Thrissur (FRN-000010S) for the financial year 2025-26 for their third year and second year respectively to hold office as the Joint Statutory Central Auditors of the Bank from the period commencing from the conclusion of the 98th Annual General Meeting to the conclusion of the 99th Annual General Meeting of the Bank.

M/s Sagar & Associates, Chartered Accountants, Hyderabad, will be completing their third year of engagement by conclusion of the 99th Annual General Meeting scheduled to be held on Wednesday, September 23, 2026 and therefore, shall not continue as the Joint Statutory Central Auditors of the Bank in accordance with the guidelines issued by Reserve Bank of India. The Reserve Bank of India vide. Letter No CO. DOS.RPD. No. S3063/08.08.005/2026-27 dated July 23, 2026 has approved appointment of M/s. Abraham & Jose, Chartered Accountants (FRN 000010S) and M/s. G. Natesan & Co., Chartered Accountants (FRN 002424S), Chennai as the Joint Statutory Central Auditors of the Bank for the financial year 2026-27, for their third year and first year respectively. Accordingly, the Board of Directors of the Bank has placed the proposal for the appointment of M/s. Abraham & Jose, Chartered Accountants and M/s. G. Natesan & Co., Chartered Accountants, Chennai as the Joint Statutory Central Auditors of the Bank for the financial year 2026-27, for their third year and first year respectively, to the Shareholders for their approval at the 99th Annual General Meeting of the Bank scheduled to be held on Wednesday, September 23, 2026.

A total fee of ₹ 50 Lakhs (Rupees Fifty Lakh only) plus applicable taxes was paid to the Statutory Central Auditors M/s. Sagar & Associates and M/s. Abraham & Jose for Audit, Certification, Quarterly Review and Tax Audit for the FY 2025-26. The travelling

and out- of pocket expenses related to the audit/review were additionally reimbursed on actual basis.

There is no qualification or adverse remark in the Auditors' Report for the financial year 2025-26.

Secretarial Auditors and Secretarial Audit Report

Subject to the approval of Shareholders, the Board of Directors of the Bank has appointed Sri M. Vasudevan as the Secretarial Auditor of the Bank for a term of 5 years i.e., from the financial year 2025-26 to the financial year 2029-30, based on the recommendation of the Audit Committee of the Board. The Bank has provided all assistance and facilities to the Secretarial Auditor for conducting their audit. The report of the Secretarial Auditor is annexed to this report. The Secretarial Audit Report for the financial year 2025-26 does not contain any qualification, reservation, adverse remark or disclaimer of opinion.

Annual Return

Pursuant to Section 92 (3) of the Companies Act, 2013 and Section 134 (3) (a), the Annual Return is hosted on the Bank's website at <https://www.dhan.bank.in/pdf/15-Annual%20Return.pdf>

Related Party Transactions

The Bank has adopted the "Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions" in accordance with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy is hosted on the website of the Bank at <https://www.dhan.bank.in/pdf/Policy-Materiality-Related-Party-Transactions-Dealing-Related-Party-Transactions-8.0.pdf>.

During the financial year, the Bank did not enter into any related party transactions with its Directors or Key Managerial Personnel or their Relatives that would potentially conflict with and/ or adversely affect the interests of the Bank. In accordance with the circular issued by Reserve Bank of India on "Disclosure in Financial Statements – 'Notes to Accounts' dated July1, 2015 – Para 4.5 Accounting Standard 18 – Related Party Disclosures", the remuneration paid to Managing Director & CEO and the Executive Director alone qualifies for classification as Related Party Transaction, for which the Bank has taken due approvals of the Reserve Bank of India and the Shareholders of the Bank. However, in accordance with the provisions of Regulation 23 (9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the remuneration paid to Managing Director & CEO and the Executive Director does not fall within the purview of Related Party Transactions. Further, there was no related party transaction for which Form AOC-2 was applicable.

Risk Management Policy Framework

The Bank has a comprehensive policy framework which contains separate policies for identification, measurement and

management of all material risks including but not limited to credit, market, operational, liquidity and other Pillar-II risks. The Bank has put in place integrated risk management policies which ensure independence of the risk governance structure. The required standard operating procedures also follows the Policies to ensure that all the parameters are well covered while implementing the approved policies. The details of risk management practices are provided in Management Discussion and Analysis Report annexed to the Director's Report.

Compliance With Capital Adequacy Framework

In compliance with regulatory guidelines on Pillar I of Basel III norms, the Bank has computed capital charge for credit risk as per the Standardized Approach, for market risk as per the Standardized Duration Method and for operational risk as per the Basic Indicator Approach. To address Pillar II risk, the Bank has implemented ICAAP (Internal Capital Adequacy Assessment Process), to integrate capital planning with budgetary planning and to capture residual risks which are not addressed in Pillar I, like credit concentration risk, interest rate risk in the banking book, liquidity risk, earnings risk, strategic risk, reputation risk, pension obligation risk etc. The Bank has adopted a common framework for additional disclosures under Pillar III for adhering to the market discipline norms of Basel III guidelines. This requires the Bank to disclose its risk exposures, risk assessment processes and its capital adequacy to the market in a consistent and comprehensive manner.

Adequacy of Internal Financial Controls related to Financial Statements

The Bank has laid down a system of internal financial controls with reference to its financial statements. The integrity and reliability of the internal control systems are achieved through clear policies and procedures, process automation, training and development of employees, and an organisation structure that segregates responsibilities. These controls are reviewed and tested by the internal audit team to ensure the accuracy and completeness of the accounting records and the preparation of reliable financial statements. The internal financial controls of the Bank with respect to the financial statements are adequate and are operating effectively.

Particulars Regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo (as required under Section 134 (3)(m) of the Companies Act, 2013 Read with Rule (8)(3) of The Companies (Accounts) Rules, 2014)

To reduce its carbon footprint and enhance resource efficiency, the Bank has undertaken various energy conservation initiatives at its premises. The Bank's Mattancherry Branch is currently operating on solar energy. The Bank is also in the process of installing solar power systems at Corporate Office and other Bank-owned premises. Further, energy-efficient equipment is being deployed across branches and administrative offices to optimize power consumption.

The Bank continues to leverage information technology extensively to deliver quality services to its customers. It remains committed to digital transformation, with ongoing investments in analytics and paperless technologies aimed at enhancing operational efficiency and improving both internal and customer-facing processes.

In addition, the Bank actively supports the country's export efforts through its trade finance operations, thereby contributing to foreign exchange earnings.

Investor Education and Protection Fund

The Bank transferred the entire pending unclaimed dividend amount to the Investor Education and Protection Fund (IEPF) during the financial year 2018-19. There was no amount of dividend pending to be transferred to the fund in the financial year 2025-26.

In terms of Section 124 (6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, it may be noted that if the dividends have been unpaid or unclaimed for seven consecutive years or more the underlying shares shall be transferred to the IEPF Demat Account maintained with depositories. Upon transfer of such shares to IEPF account, all benefits (eg. bonus, split, etc.), if any, accruing on such shares shall also be credited to the IEPF Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. The members/claimants whose shares, unclaimed dividend etc. have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority as per the procedure prescribed in the IEPF Rules.

Maintenance of Cost Records

Being a Banking Company, the Bank is not required to maintain cost records as per sub-section (1) of Section 148 of the Companies Act, 2013.

Subsidiary Companies

The Bank does not have any subsidiary companies.

Compliance to Secretarial Standards

The relevant Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) related to the Board Meetings and General Meetings have been complied with by the Bank.

Confirmation with respect to Insolvency and Bankruptcy Code, 2016

As per section 3(7) of The Insolvency and Bankruptcy Code, 2016, "Corporate person" does not include any financial service provider, but under section 3(17) of IBC, "Bank" is treated as "Financial Service Provider". However as per the said section, normal creditors cannot directly trigger action against the Bank under IBC, but prior permission/consent and approval is required

from the Financial Regulator, RBI. There is no application or proceeding against the Bank under Insolvency and Bankruptcy Code, 2016 during the financial year under review. Bank also had not filed any IBC cases directly against any corporate defaulter or against the personal guarantor to the Corporate Debtor during the financial year 2025-26.

Disclosures relating to deposits as required under the provisions of the Companies Act, 2013 & the Rules thereunder

Being a Banking Company, the disclosures relating to deposits as required under Rule 8(5)(v) & (vi) of the Companies (Accounts) Rules, 2014, read with Sections 73 and 74 of the Act, are not applicable to the Bank.

Details in respect of frauds reported by auditors

The Statutory Auditors have not reported any fraud under Section 143(12) of the Companies Act, 2013 during the financial year.

Particulars of Loans, Guarantees or Investments

Pursuant to Section 186 (11) of the Companies Act, 2013, the provisions of section 186 of Companies Act, 2013, except subsection (1), do not apply to a loan made, guarantee given or security provided or investment made by a banking company in the ordinary course of business.

Strictures and Penalties

During the year, BSE imposed a fine of ₹75,000 plus applicable GST and NSE imposed a fine of ₹24,000 plus applicable GST for delay in filing the halfyearly disclosure respectively with respect to related party transactions and for delay in filing the statement indicating the utilization of proceeds of nonconvertible securities. Apart from the above, no other penalties or strictures were imposed on the Bank by the Stock Exchanges, SEBI, or any other statutory authorities on matters relating to the capital market. Further, there were no significant or material orders passed by regulators, courts, or tribunals impacting the going concern status of the Bank or its future operations.

Management Discussion and Analysis Report

This has been dealt with in a separate section in the Annual Report.

Report on Corporate Governance

A separate report on Corporate Governance as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and certificate from Sri V. Suresh, Practicing Company Secretary certifying compliance with the conditions of Corporate Governance are annexed to this report.

Corporate Social Responsibility

In compliance with the provisions of Section 135 of the Companies Act, 2013, the Bank has constituted a Corporate Social Responsibility Committee of the Board and has formulated

a Corporate Social Responsibility Policy approved by the Board. Due to losses incurred by the Bank from FY 2013 to 2018, in compliance with the provision outlined in Section 198, these losses were offset against profits in subsequent years. Consequently, no profits were available under Section 198 of the Companies Act, 2013 for Corporate Social Responsibility purposes. Therefore, the Bank did not undertake any projects under Corporate Social Responsibility for the financial year 2025-26.

Business Responsibility and Sustainability Report

The regulatory provisions relating to the Business Responsibility and Sustainability Reporting are not applicable to the Bank for the financial year ended March 31, 2026.

Material Changes and Commitments affecting Financial Position of the Bank

There are no material changes and commitments affecting the financial position of the Bank which has occurred between the end of the financial year, i.e, March 31, 2026 and the date of Directors' Report, i.e, August 19, 2026.

Directors' Responsibility Statement

Pursuant to the provisions of Section 134 (5) of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- (i) in the preparation of the annual accounts for the financial year ended March 31, 2026, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the Directors had 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 state of affairs of the Bank at the end of the financial year 2025-26 and of the profit and loss of the Bank for that period.;

- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities;
- (iv) the Directors had prepared the annual accounts for the financial year ended March 31, 2026 on a going concern basis;
- (v) the Directors had laid down internal financial controls to be followed by the Bank and that such internal financial controls are adequate and were operating effectively; and
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgements

The Board of Directors places on record its gratitude to the Government of India, the governments of various States, the Reserve Bank of India, the Securities and Exchange Board of India, the Registrar of Companies, other regulatory bodies and the Stock Exchanges, where the Bank's shares are listed, for their support and guidance. The Board also places on record its gratitude to the Bank's customers, shareholders, other stakeholders and well-wishers for their valued patronage. The Board further places on record its appreciation for the valuable services rendered by the Joint Statutory Central Auditors and the Secretarial Auditor of the Bank. The Board expresses its sincere appreciation for the dedicated services rendered by officers and employees of the Bank at all levels.

Place : Thrissur
Date : August 19, 2026

By Order of the Board
Sd/-
K.N Madhusoodanan
Chairman

Annexure to Directors' Report for the year ended March 31, 2026

PARTICULARS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sl. No.	Requirements	Disclosure to be given in Annual Report of 2025-26																																
I	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year	1) Sri Ajith Kumar K K, Managing Director & CEO 6.02:1 2) Sri P Suriaraj, Executive Director 2.86:1																																
II	The percentage increase in remuneration of each director, CFO, CEO, CS in financial year	<table><tr><th colspan="4">MD & CEO</th></tr><tr><td>Sri Ajith Kumar K K</td><td>23.43%</td><td></td><td></td></tr><tr><th colspan="4">Executive Director</th></tr><tr><td>Sri P Suriaraj</td><td>7.8%</td><td></td><td></td></tr><tr><th colspan="4">Chief Financial Officer</th></tr><tr><td>Smt. Kavitha T A</td><td>4.78%</td><td>(after excluding Leave Encashment and Leave Fare Concessions)</td><td></td></tr><tr><th colspan="4">Company Secretary & Secretary to the Board</th></tr><tr><td>Sri Venkatesh. H</td><td>14.48%</td><td>(after excluding Leave Encashment and Leave Fare Concessions)</td><td></td></tr></table>	MD & CEO				Sri Ajith Kumar K K	23.43%			Executive Director				Sri P Suriaraj	7.8%			Chief Financial Officer				Smt. Kavitha T A	4.78%	(after excluding Leave Encashment and Leave Fare Concessions)		Company Secretary & Secretary to the Board				Sri Venkatesh. H	14.48%	(after excluding Leave Encashment and Leave Fare Concessions)	
MD & CEO																																		
Sri Ajith Kumar K K	23.43%																																	
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Company Secretary & Secretary to the Board																																		
Sri Venkatesh. H	14.48%	(after excluding Leave Encashment and Leave Fare Concessions)																																
III	The percentage increase in the median remuneration of employees in the financial year	4.92%																																
IV	The number of permanent employees on the rolls of the Bank	1856																																
V	Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Salary revision along with normal annual increments and increase in dearness allowances (linked to customer price index) was also paid to employees.																																
VI	Affirmation that the remuneration is as per the remuneration policy of the Bank	Yes, it is confirmed.																																

Notes:

- The median salary of the staff members is arrived by taking gross salary for the month of March 2026. The percentage increase in remuneration is only due to the normal annual increments, changes in IBA pay scales and increase in dearness allowance.
- Remuneration of MD & CEO and the Executive Director is regulated by RBI guidelines.

Form No. MR-3
SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2026

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

To,
The Members,
Dhanlaxmi Bank Limited
Dhanalakshmi Bank Building,
Naickanal, Trichur, Kerala, India, 680001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Dhanlaxmi Bank Limited (hereinafter called the "company"). 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.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information, explanations and clarifications provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2026 complied with the statutory provisions listed hereunder and also that the company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2026 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and the amendments from time to time;
 - d) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - g) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;
 - h) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- vi. The other laws applicable specifically to the company are as follows:
 - a) The Reserve Bank of India Act, 1934;
 - b) The Banking Regulation Act, 1949;
 - c) The Banking Companies Regulation (Companies Rules), 1949
 - d) The Banking Companies (Period of preservation of Records) Rules, 1985.
 - e) Prevention of Money Laundering Act, 2002

- f) Credit Information Companies (Regulation) Act, 2005
- g) The Deposit Insurance and Credit Guarantee Corporation Act, 1961
- h) The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
- i) Insurance Regulatory and Development Authority Act, 1999

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreement entered into by the company with BSE Limited and National Stock Exchange of India Limited;

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

I further report that

The Board of Directors of the company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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. In respect of meetings held at shorter notice, the fact has been recorded in the notice of the Meeting as well as the minutes.

Resolutions at the meetings of the Board of Directors of the Company and Committees thereof are generally carried through on the basis of unanimous decisions. If and when decisions are carried through on the basis of majority, the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the company has the specific events / actions having a major bearing on the company's affairs in pursuance of the rules, regulations, guidelines, standards, etc. referred to above:

1. The company has allotted 150 unsecured redeemable non-convertible Basel-III compliant subordinated Tier-II Bonds in the nature of Debentures of face value of ₹100,00,000 each at ₹100,00,000 each aggregating to ₹150,00,00,000/- with a tenor of 10 years, on private placement basis.

Place : Thrissur
Date : 19.08.2026

Signature:
Name of Company Secretary in practice:

M Vasudevan
(FCS No.: 4177 C P No.: 2437)
Peer Review Number: 2935/2023
UDIN: F004177H001151048

**ANNEXURE TO SECRETARIAL AUDIT REPORT ISSUED BY
COMPANY SECRETARY IN PRACTICE**

To,
The Members,
Dhanlaxmi Bank Limited
Dhanalakshmi Bank Building,
Naickanal, Trichur, Kerala,
India, 680001

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that 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 company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
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 procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Signature:

Name of Company Secretary in practice:

M Vasudevan

(FCS No.: 4177 C P No.: 2437)

Peer Review Number: 2935/2023

UDIN: F004177H001151048

Place : Thrissur

Date : 19.08.2026

Management Discussion and Analysis Report

Global Economy

The global macroeconomic landscape for 2025-26 is defined by a delicate balancing act. After navigating a wave of high inflation, sharp interest rate hikes, and shifting trade policies through 2025, the global economy faces a new set of complex challenges most notably renewed geopolitical conflicts, volatile energy markets, and structural shifts from artificial intelligence.

Global Growth trajectory – A mild softening: Global economic activity has proved highly resilient, global GDP growth is hovering between 2.9% and 3.1% for 2026, a minor softening from the estimated 2.8% to 3.00% seen in 2025.

The post – pandemic recovery remains uneven. While advanced economies have largely recovered or consolidated their output, roughly a quarter of emerging market and developing economies (EMDEs) still struggle with per capita incomes below 2019 levels.

Regional Outlooks

United States: Projected to grow around 2.0% to 2.3% in 2026. Consumer spending remains a steady pillar, and monetary policy easing provides support, through a slightly softening labour market behaves as a natural drag on momentum.

Eurozone/European Union: Growth remains modest, projected at 1.1% to 1.3% for 2026. While monetary easing helps, high tariff uncertainties, localized manufacturing headwinds and energy price fluctuations limit a sharper rebound.

China: Growth is gradually moderating to the 4.4% to 4.6% range. The economy is continually transitioning towards domestic consumption while managing structural property sector adjustments and external trade frictions.

Inflation and Monetary Policy Paradox

The dominant theme of 2024-25 was the “higher-for-longer” interest rate environment designed to cool pandemic-era inflation. While headline inflation successfully retreated towards the 2% target in many advanced economies by late 2025, the narrative has shifted slightly in 2026.

Renewed Price Pressures: Due to recent supply chain frictions and energy infrastructure disruptions in the Middle East, global headline inflation is experiencing a temporary, modest uptick in 2026 (with G-20 inflation projected near 4.0%) before it is expected to resume its downward path in 2027.

Central Bank Agility: Central banks are walking a tightrope. Easing cycles are underway, with the Federal Reserve, European

Central Bank (ECB), and Bank of England expected to gradually lower policy rates through 2026.

Dominant Headwinds and Risks

Geopolitical Conflicts and Energy Shocks: The outbreak of conflict in the Middle East has re-introduced significant volatility to commodity markets. Halts or delays in critical shipping corridors (like the Strait of Hormuz) and localized damage to energy infrastructure have spiked oil and fertilizer prices.

Sovereign Debt and Fiscal Pressures: Public debt levels worldwide have reached historical highs. Many governments are facing heavily pressured primary fiscal balances due to a combination of rising defense expenditures, climate adaptation costs and elevated debt servicing yields. This leaves very narrow fiscal buffers to respond to any new economic shocks.

Trade Fragmentation and Tariffs: The carry over effect of protectionist trade policies and tariff adjustments enacted over the last year continues to weigh on international trade growth. Global trade momentum is expected to cool to roughly 2.2% in 2026, down from a front loaded 3.8% spike in 2025.

Structural Silver Lining: AI and Tech Investment

Despite macro headwinds, capital expenditure in technology remains remarkably aggressive. High momentum in technology related production and deep investments in Artificial Intelligence (AI) are acting as a major growth engine. While these capital injections fuel pockets of immense productivity in advanced markets, economists caution that the long-term gains risk being unevenly distributed, potentially widening the structural inequality gap between technology exporting nations and developing countries.

Indian Economy

During the financial year 2025-26, the Indian economy solidified its position as the fastest growing major economy globally for the fourth consecutive year. Powered by a potent “double engine” of resilient domestic consumption and aggressive infrastructure investment, India outperformed expectations despite severe global headwinds, including escalating conflicts in the Middle East and sluggish global growth.

A landmark shift also occurred this year: the Ministry of Statistics and Programme Implementation (MoSPI) revised the GDP base year from 2011-12 to 2022-23 to more accurately capture the structural evolution of the modern digitized economy.

Growth Trajectory and Structural Rebounding: India's real GDP growth for FY'26 reached an impressive 7.4% to 7.6%, up from the 7.1% recorded in FY'25. Nominal GDP growth hovered around 8.6%.

Manufacturing Boom: Industrial performance served as a major growth anchor, with manufacturing expanding at a robust 8.4% in the first half of the year. High frequency indicators like the manufacturing PMI and e-way bill generation signaled structural strength all year long.

Dual Consumption Engine: Private consumption grew to account for 61.55% of GDP. This was anchored by two distinct recoveries: a sharp rebound in rural consumption – aided by a highly favourable south west monsoon and a steady rise in urban purchasing power, which was boosted by direct tax relief.

Capital Formation: Investment activity remained aggressive, with Gross Fixed Capital Formation stabilizing firmly at 30% of GDP.

Fiscal Discipline and Policy Highlights

The government successfully balanced growth objectives with sharp fiscal prudence maintaining its long-term consolidation target. The fiscal deficit for FY'26 was brought down strictly to 4.4% of GDP compared to 4.8% in FY'25. Capital expenditure was sustained at a massive ₹11.21 lakh Crore (3.1% of GDP), focusing heavily on interest free capital loans to states and the multi-year asset monetization program. To unlock disposable income and power consumption, the New Tax regime was rationalized. The credit guarantee cover for MSME was doubled from ₹5 Crore to ₹10 Crore, and the FDI limit in the insurance sector was raised from 74% to 100%.

Monetary and Banking Environment

RBI's Strategic Shift: After maintaining a strict "withdrawal of accommodation" stance to fight inflation, the RBI shifted its stance to "neutral" and eased systemic liquidity pressures by trimming the CRR to 3%. Headline Inflation began settling comfortably close to the 4% target. Backed by robust industrial demand and corporate capital needs, lending of Commercial banks grew by an exceptional 16.10% YoY, up substantially from 11% in the previous year. Banking balance sheets remained at multi decade health peaks, characterized by very low NPA ratios and high capital adequacy ratios.

External Pressures and Vulnerabilities

While domestic indicators flashed bright green, external vulnerabilities required highly active management.

Crude Oil threat: Escalating geopolitical tensions in the Middle East spiked global oil prices. Various research indicates that every \$10 barrel increase in crude adds roughly 35-40 basis points to domestic inflation and shaves 20-25 basis points of GDP growth.

Forex Reserves: Despite temporary balance of payment pressures arising from elevated transport and commodity insurance costs,

India's massive foreign exchange reserves acted as a vital macroeconomic shield, successfully insulating the rupee against heavy global volatility.

However, challenging periods are ahead for our economy if geo political tensions does not de-escalate.

Kerala Economy

During the FY 2025-26, the Kerala economy demonstrated steady growth with structural transformations, navigating a path of rigorous fiscal consolidation while heavily leaning into its service driven strengths. State focused on balancing severe pressures on its borrowing limits with strategic revenue generation and infrastructure expansions.

Growth Trajectory and Macro targets

GSDP Growth: Kerala's GSDP for 2025-26 shows a healthy nominal growth of 12% and the real GDP growth is stabilized around the 6.2% to 6.5% range.

Per Capita Income Outperformance: Kerala maintained its distinct position with a per capita GSDP roughly 50% to 60% higher than the national Indian average, reflecting high human development metrics, though overall output growth remains slightly below the aggressive pace of the national GDP engine.

Sectoral Dominance: The economy continues to be highly skewed toward the Services sector, which accounts for roughly 64% to 66% of the state's Gross value.

Fiscal Deficit & Debt Realities

Fiscal deficit for 2025-26 was targeted at 3.2% of GSDP. This is notable improvement from the 3.86% peak hit in FY'25. The revenue deficit is estimated to drop to 1.9% of GSDP from the 2.3% to 2.5% recorded in the preceding years. There has been continuous multi year structural decline in Central financial transfers, prompting the state to increasingly rely on State's Own Tax Revenue, which now funds over 61% of total revenue. A high percentage of Kerala's revenue expenditure remains tied up in non-discretionary commitments. Out of the estimated ₹1.79 lakhs Crore revenue expenditure, a massive ₹1.05 lakh Crore(approx.59%) goes strictly toward salaries, pensions and interest payments on outstanding public debt.

Key Policy and Sectoral Highlights

To fund developmental plans without crossing strict central borrowing limits, the state enacted major tax structure overhauls such as Land and Road tax were hiked and lifetime tax for green vehicles were systematically structured. State ramped up its capital outlay by 20% to ₹16938 Crore, driving asset creation after years of compressed capital budgets.

Primary Sector Shifts

While small in terms of overall GDP share, the primary sector saw key structural developments like Aqua culture boom where

spearheaded by proactive state backed policy interventions, fishing and aquaculture emerged as a powerful subsector engine, showing double digit growth (approx .10.50%). Crop yields for cash crops and rice experienced mild turnarounds, benefiting from highly favourable monsoon distribution profiles across the Western Ghats and coastal plains.

Regulatory Measures and Monetary Policies

Bank regulation involves the development and enforcement of guidelines and restrictions by government authorities or central banks to oversee banking institutions. These regulations are designed to ensure consumer protection, operational transparency, and the overall stability of the financial system.

A robust financial system is crucial for the economic health of any country, and banks play a central role in this system. Regulations help define the boundaries within which banks operate, ensuring they function efficiently and responsibly. These rules not only govern the operations of financial institutions but also establish a framework for their regulation and supervision, contributing to a stable and trustworthy banking environment.

Financial Performance of Bank

The Bank declared a net profit of ₹102.75 Crore for the financial year ended March 31, 2026, as against ₹66.64 Crore in the previous year.

The total business of the Bank as on March 31, 2026 stood at ₹33,771.57 Crore as against ₹28,219.11 Crore as on March 31, 2025.

Total deposits stood at ₹18,642.88 Crore and gross advances at ₹15,128.69 Crore as on March 31, 2026.

Gross NPA and Net NPA ratios stood at 1.89% and 0.51% respectively during the year under review, as against 2.98% and 0.99% respectively in the previous year.

The CRAR as on March 31, 2026 was 18.92%, as against 16.12% as on March 31, 2025.

Pursuant to Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of ratios and the details of any change in Return on Net Worth as compared to the immediately previous financial year are given below:

Ratios	Mar-25	Mar-26	Variance In %
Operating Profit Margin (Note 1)	6.39%	12.06%	88.73%
Operating Profit as a percentage to Working Funds (Note 1)	0.57%	1.11%	94.74%
Net Profit Margin (Note 1)	4.48%	5.73%	27.90%
Debt Equity Ratio (Note 2)	Nil	0.12	100.00%
Return on Assets (Note 3)	0.40%	0.53%	32.50%
Return on Net worth (Note 3)	5.65%	8.13%	43.89%

1. Operating Profit Margin, Operating Profit as a percentage to Working Funds and Net Profit Margin: The ratio improved due to higher Net Interest Income and Non-Interest income. The Bank's gross advance increased by 23.95%, i.e., from ₹12206 Crore to ₹15129 Crore. Major component of increase in non-interest income are recovery from written off accounts, loan processing fees and commission from insurance products.
2. Debt Equity Ratio: The Debt- Equity ratio stood at 0.12 as on March 31, 2026 compared to Nil position in the previous year. During the year ended March 31, 2026, the Bank issued lower Tier II Bonds of ₹150.00 Crore, whereas there was no outstanding debt with residual maturity exceeding one year as on March 31, 2025.
3. Return on Assets and Return on Net worth: Return on Assets and Return on net worth has increased due to increase in net profit from ₹66.64 Crore to ₹102.75 Crore.

Strategies of Bank

The Bank continues its focus on profitability, asset quality, resilient loan book focusing on robust retail liability portfolio, optimum organizational structure and technology initiatives to achieve the business goals.

Comprehensive Product Suite and Customer-Centric Approach

Dhanlaxmi Bank offers a wide range of financial products tailored to meet customer needs at various stages of life, including home, agriculture, personal, education, gold, and vehicle loans. Its portfolio also includes Corporate and MSME loans, alongside non-financial services such as financial literacy and livelihood programs. With 98 years of experience, the Bank focuses on underbanked and underserved customers, particularly within the MSME segment. Its customer-centric strategy has fostered strong retention rates, establishing the Bank as a 'one-stop shop' for financial needs.

Technology-Driven Operations with a Digital Edge

Dhanlaxmi Bank continuously enhances customer experience through its advanced digital platforms, offering internet and mobile banking, bill payments, Credit Cards and VISA & RuPay debit cards. The majority of banking transactions, such as remittances and utility payments, are conducted digitally. The Bank's onboarding process is largely digitalized, improving efficiency and customer engagement. Technology-driven automation in areas like credit assessment further supports accuracy and consistency.

Streamlined Credit Assessment and Risk Management

The Bank's focus on secured lending, backed by conservative loan-to-value ratios, helps minimize delinquencies and credit losses. As the primary banker for most customers, it has comprehensive visibility into customer cash flows, enabling more accurate credit assessments. Dedicated customer relationship teams maintain close engagement with clients, improving collections and asset

quality. This, combined with decentralized loan sanctioning and data analytics, supports a risk-based lending model.

Integrated Risk and Governance Framework

Dhanlaxmi Bank's integrated risk management framework covers key risks such as credit, operations, liquidity, market, cyber, and reputational risks. The Bank adopts a risk-based oversight model, with clear risk ownership across all functions. Supported by functional risk committees, it ensures robust management of risks. Credit decisions, particularly for unsecured loans, are automated to reduce human errors. IT systems are leveraged to control operational risk, including fraud detection.

Experienced Leadership with Strong Industry Expertise

Dhanlaxmi Bank's Board comprises experienced professionals from diverse business backgrounds, many of whom have held senior roles in renowned financial institutions. The senior management team is skilled in scaling financial services organizations, providing strategic leadership that drives sustainable growth.

Our strategic themes and goals are as follows:

1. Capital Optimization and Conservation: Efficient utilization of capital and conserving resources to achieve sustainable growth.
2. Organizational Structure Enhancement: Strengthening our organizational structure to increase agility, improve decision-making, and enhance overall performance.
3. Business Model Optimization: Through analysis of market trends and customer needs, business model is optimised to identify areas for improvement and growth opportunities. Additionally, new products and services that align with our business strategy are introduced to improve the product mix.
4. Future-Proof Customer Profile Creation: Creating a customer profile that aligns with our business strategy and is future-proof, taking into consideration changing market trends and evolving customer needs.
5. Governance and Process Improvement: Strengthening our governance processes to evolve compliance and risk culture, improve transparency, and increase accountability.
6. Evolve Compliance and Risk Culture: Strengthening our risk management and monitoring processes to promote a culture of compliance and risk awareness throughout the organization. This will include enhancing our risk management framework, identifying and mitigating potential risks, and improving the overall resilience of our business.
7. Improved Operational Efficiency: Streamlining and optimising our operational processes to reduce costs, improve efficiency, and increase customer satisfaction.
8. Leveraging Technology to Augment Business: Leveraging technology to augment our business and create a competitive advantage by improving operational efficiency, enhancing customer experience, and unlocking new growth opportunities.
9. Environmental, Social, and Governance (ESG) Integration: Integrating ESG considerations into our business strategy, decision-making processes, and operations to promote sustainable practices, reduce our environmental impact, and enhance our social responsibility. We will prioritize transparency in reporting, engage with stakeholders on ESG issues, and align our values with the United Nations Sustainable Development Goals. By integrating ESG considerations into our business, we aim to create long-term value for our stakeholders and contribute to a sustainable future.

Way Ahead

With a legacy of 99 years, riding on the loyal and vintage customer base, Bank is now looking forward to break all benchmarks set in the recent past. The steps initiated to increase the branches, especially in South India, with innovative products and technology backed services, Bank would focus on following to improve profitability and there by stakeholder value.

- Continued focus in Retail and MSME segments to mitigate the slowdown in Corporate lending and to boost non-interest income through fee income and X Selling
- Introducing tailor made MSME product
- Deepening existing MSME relationship to improve CASA penetration
- Enhanced focus in forex business by upgrading all branches for forex transactions
- Business growth through digital channels
- Strengthening our risk management and governance processes to ensure compliance and accountability
- Leadership training and reskilling
- Strengthen internal cyber awareness programs and enhanced governance

Different Functions of Bank are as follows:

Business Development and Planning

The Business Development and Planning function continued to play a pivotal role in supporting the Bank's growth strategy by identifying new business opportunities, strengthening market presence, and aligning business initiatives with the Bank's strategic objectives.

The department undertook comprehensive market research and competitive analysis to assess evolving customer preferences, industry developments, and emerging business opportunities. These insights facilitated the formulation and execution of growth-oriented strategies aimed at enhancing the Bank's market share and customer engagement across key segments.

Innovation remained a core focus area, with efforts directed towards identifying customer needs, evaluating market gaps, and supporting the development of innovative products, services, and digital solutions. The Bank also strengthened strategic

collaborations with technology partners, and other service providers to enhance operational capabilities, improve customer experience, and expand service offerings.

The department actively monitored business performance across various channels, driving initiatives to improve customer acquisition, deepen existing relationships, and enhance cross-selling and up-selling opportunities. Focused marketing campaigns and business development initiatives were implemented to support revenue growth and achieve business targets.

While pursuing growth, the department incorporated robust risk assessment practices into business planning and decision-making processes. Budget preparation and financial planning are conducted in close coordination with finance teams to align with business objectives. Financial performance is tracked through variance analysis, enabling strategic adjustments to maintain stability and profitability. Continuous monitoring of business and financial performance enabled timely course corrections and improved operational efficiency.

The department remained committed to maintaining the highest standards of governance, regulatory compliance, and ethical business practices. All business development activities were conducted in adherence to applicable regulatory requirements and industry standards, thereby safeguarding the Bank's reputation and supporting long-term value creation for stakeholders.

Customer Relationships Management

Bank has implemented Customer Relationship Management strategies to enhance customer satisfaction, retention, loyalty through personalized services, targeted marketing campaigns, building and maintaining strong relationships with customers.

Public Relations and Publicity

To connect with its customers and to create awareness regarding products and services, Bank continues its publicity and marketing efforts by way of social media, localized and regional initiatives. Bank foster relationships with key stakeholders, and decision-makers, which can lead to business opportunities and market insights with the active participation in industry events, networking forums, and community engagements.

Government Initiatives

Bank was empanelled for conducting Government Agency Business and facilitating collection of direct and indirect Taxes.

Bank has successfully integrated with Goods and Services Tax Network (GSTN) for collection of Goods and Services Tax (GST), the Income Tax payment services through online (RIB & CIB) and offline (over the counter) modes and Customs Duty payments through online mode. The Bank became the first Kerala-based Bank to introduce GST collections through UPI mode.

Bank's association with Kerala State Welfare Corporation for Forward Communities for financing the poor and marginalized

people among the forward communities of the State of Kerala. Government of Kerala empanelled the Bank for Contractors Bill discounting facility through Digital Platform.

Financial Inclusion

Financial inclusion envisages inclusive growth by reaching the unreached, unbanked and under-banked areas. It guarantees access to basic financial products and services to all especially those in vulnerable sections of the society at an affordable cost and in a transparent manner.

Bank has engaged 4 Financial Literacy Centres in the state of Kerala and conducted **422** Financial Literacy awareness campaigns during the financial year 2025-26, to provide basic banking knowledge to people across various parts of the Society.

Financial Inclusion remains a key focus area of Department of Financial Services, with initiatives like the Pradhan Mantri Jan Dhan Yojana (PMJDY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Atal Pension Yojana (APY) making significant strides.

Bank actively promotes APY, PMJDY, PMSBY and PMJJBY so that all sections of society have access to basic banking services, insurance, and pension schemes. APY provides Government backed pension scheme to the unorganized sector. The PMSBY scheme is a Personal Accident Insurance Scheme, offering protection against death or disability due to accident and PMJJBY schemes is a government backed insurance scheme offering ₹2 lakh life insurance cover for death due to any reason. PMJDY is a National Mission on Financial Inclusion encompassing an integrated approach to bring about comprehensive financial inclusion of all the households in the country. The plan envisages universal access to banking facilities with at least one basic banking account for every household. As on March 31, 2026, Bank has opened 107318 PMJDY accounts.

Bank engaged 2 Corporate Business Correspondent for effective implementation of financial inclusion programmes, to reach the banking services in sub service areas of a branch.

Micro credit (SHGs Bank linkage)

Dhanlaxmi Bank formalises effective credit delivery to Self Help Groups (SHG) through most adopted and successful "NGO promoted & bank financed" model. This model provides affordable and responsible credit to Self Help Groups for sustainable development. Bank is also promoting Joint Liability Group (JLG) lending, one of best tool to support small farmers, women and rural entrepreneurs for generating sustainable lively hood. State Kudumbasree Mission, Kerala State Welfare Corporation for Forward Communities, Shreyas, Thalassery Social Service Society are the major Self Help Promoting Institutions associated with us in the journey of empowerment through financial inclusion. As on March 31, 2026, 8199 SHGs and 303 JLGs with cumulative outstanding of ₹385 Cr are being credit linked with our bank.

Bank's Operations at Sabarimala

The Bank has been the principal bankers to Travancore Devaswom Board since 1970s. Bank is fortunate to become the Banker to Lord Ayyappa and the temples administered by TDB in a spirit of public service. Since then, the Bank has been extending the best of services to Sabarimala and other temples under TDB. Bank opens a seasonal branch at Sabarimala to facilitate banking services at Sabarimala and handles the prasadam distribution counters at Sannidanam and Pamba during Mandalam and Makaravilakku season and monthly poojas.

Associate Products Distribution

The Associate Products Division is responsible for the distribution of a comprehensive suite of third-party financial solutions, including Life, General and Health Insurance, Mutual Fund investments, and the Bank's 3-in-1 account proposition comprising Savings/Current Account, Demat Account, and Trading Account in partnership with SMC Global Securities Limited and Religare Broking Limited. The department also plays a key role in implementing Government social welfare schemes such as APY, PMJBY and PMSBY, thereby supporting the Bank's financial inclusion initiatives.

The Bank has established strategic partnerships with leading insurance and mutual fund providers to deliver holistic financial protection and wealth-creation solutions to customers. Life Insurance products are distributed in association with Bajaj Allianz Life Insurance Company and Canara HSBC Life Insurance Company, while General Insurance solutions are offered through Bajaj Allianz General Insurance Company Limited and SBI General Insurance Company Limited.

The Bank has recorded strong growth in fee based income from insurance business during FY 2025-2026. The Banks income from Life insurance grew by 28% while General insurance income grew by 6% compared to the previous year.

Further Bank has qualified for the PFRDA APY Annual awards for successfully achieving the annual target set for Atal Pension Yojana, a flagship social security scheme of the Government of India.

In addition, the Bank has tie-ups with all major mutual fund houses in India and actively distributes their schemes to customers in a fully compliant and regulatory-aligned manner, ensuring responsible distribution practices while enhancing customer trust and expanding the Bank's non-interest income streams.

Credit Sanction

During FY 2025-26, the Credit Sanction Department being the core underwriting arm, played a key role in on boarding quality loan assets of acceptable risk profiles by maintaining perfect balance between profitability, risk management and customer satisfaction.

Department emphasised on strengthening of Banks Credit Portfolio, ensuring geographical/sectoral diversification and compliance with regulatory norms in respect of exposure caps, IRAC guidelines, targeted credit etc.,

A continued focus was placed on securing adequate returns on assets while maintaining transparency and efficiency in the sanctioning process. The department adopted a robust risk-return evaluation model, aligning with industry best practices and contributing to the Bank's objective of sustainable and responsible credit growth.

Credit Administration & Monitoring

Credit Administration & Monitoring (CAM) Department is integral to safeguarding the Bank's credit portfolio and ensuring asset quality throughout the post-sanction lifecycle. CAM Dept oversees creation of security, and continuous monitoring of account conduct, ensuring compliance with sanction terms. Through proactive remediation and an effective Early Warning Signals (EWS) system, CAM Dept identifies emerging risks and potential fraud, enabling early intervention and mitigating credit risk to maintain portfolio integrity and prevent slippages into NPAs.

A sustained and encouraging improvement in stressed asset indicators has been observed over the three-year period ending 31 March 2026. The SMA ratio, as a proportion of Total Gross Advances, declined from 1.77% to 1.65% and further to 0.57%, representing a reduction of 0.12% in FY 2024-25 and 1.08% in FY 2025-26. Total SMA stood at ₹84.32 Crore, marking a historic all-time low. This consistent downward trajectory reflects strengthened monitoring and improved collection efficiency, underscoring the effectiveness of ongoing asset quality management efforts.

Non-Performing Assets Management

Bank has shown consistent improvement in NPA management in recent years, reflecting strong recovery efforts and prudent credit monitoring. During the financial year 2025-26, our Bank demonstrated significant progress in managing its NPAs, reflecting enhanced asset quality and effective credit risk management. The Bank achieved a notable reduction in its Gross NPA levels, bringing it down from ₹364.11 Crore to ₹ 286.38 Crore. The bank's gross NPA ratio declined to 1.89% by March 2026, down from 2.98 % the previous year, while the net NPA ratio improved to 0.51 % from 0.99 %. The achievement is particularly noteworthy as it reflects the Bank's sustained focus on recovery, early resolution of stress despite macroeconomic challenges.

Finance & Accounts

The Finance and Accounts function continued to play a central role in strengthening the Bank's financial discipline, transparency, and regulatory compliance framework during the year. The Department remained focused on enhancing process efficiency, strengthening internal controls, and supporting strategic decision-making through reliable financial insights.

The Bank maintained robust financial reporting systems, ensuring timely and accurate preparation of financial statements in line with regulatory requirements. Continuous improvements were undertaken in financial disclosures and internal controls to enhance transparency and reliability. During the year, focused efforts were made to enhance automation in financial reporting processes, reduce manual interventions, and improve data integrity through system-driven controls.

In the area of profitability and balance sheet management, the function provided critical insights on yield optimization, cost of funds, and asset mix. Focus remained on improving key metrics such as Net Interest Margin, Return on Assets, and Return on Equity.

The Bank continues to follow a disciplined and compliant approach to taxation, ensuring timely adherence to applicable direct and indirect tax regulations. Proactive management of tax assessments and ongoing litigations remains a priority, along with prudent tax planning within the regulatory framework.

With regard to evolving regulatory requirements especially with respect to moving to Indian Accounting Standards framework; impact assessments, system enhancements, and parallel runs are being undertaken to ensure a seamless transition.

Treasury

Our treasury department efficiently manages our funding position and ensures compliance with regulatory reserve requirements. Bank invest in sovereign and corporate debt instruments, equities, commercial paper, mutual funds, and other money market instruments to manage short-term liquidity. Additionally, based on our Board approved treasury management policy, Bank adhere to intra-day, overnight, and monthly gap limits, and our exposures remain within these limits. We also engage in proprietary trading, liquidity management, and booking forex forward contracts for our customers.

The Bank's gross Investment portfolio as on 31 March 2026 was ₹4257.44 Crore consisting of ₹4086.77 Crore SLR instruments and ₹170.67 Crore non SLR instruments. In domestic treasury operation, the yield of investment portfolio was 6.75 %. During the year ended 31.03.2026, there was net depreciation of investment in SLR categories and net appreciation in Non SLR categories. Treasury booked a trading profit of ₹11.03 Crore during the Financial Year vis-à-vis trading profit of ₹13.19 Crore during the previous Financial Year. Decline in profit was primarily due to unprecedented macro-economic factors which hit the market in a big way during Q4 of FY 2025-26 primary reasons of which are as stated below.

Global financial markets remained under sustained pressure due to escalating geopolitical tensions, in key energy-producing middle east regions. This led to a sharp increase in crude oil and energy prices, which in turn revived inflationary concerns across major economies due to supply chain disruptions.

Persistent inflationary pressures prompted major central banks, including the ECB and the Bank of England, to maintain a hawkish policy stance, with indications of higher interest rates for a prolonged period. The US Federal Reserve also indicated limited scope for near-term rate cuts. Consequently, global bond yields hardened across markets and risk appetite weakened, with a more pronounced impact on emerging economies.

In line with global trends, the Indian debt market also witnessed significant volatility, with government bond yields moving sharply higher. The 10-year benchmark yield hardened considerably during the period and touched high of 7.1436%, while the Indian Rupee depreciated to all time low of ₹95.2300, adding further pressure on foreign investment flows and bond valuations. Consequently, mark-to-market losses have shot up across the government securities portfolio.

Aggregate profit of Treasury for the financial year was ₹62.21 Crore vis-a vis ₹49.65 Crore for the previous financial year.

Infrastructure Management

Infrastructure department takes care of Management of Premises, Fixed Assets, Security & communication equipment, etc., and getting infrastructure related works done. Bank has adopted various measures to curtail rental and operational expenditure. Bank has undertaken shifting of branches to new premises as a part of rent reduction and renovation as part of facelift.

Major activities undertaken during the FY 2025-26 are as follows:

- 3 new branches opened during the FY 2025-26
- 7 branches have been successfully relocated to new premises bringing more facility and visibility to branches
- Entire branch refurbishment undertaken in 7 branches to have more convenience for employees and customers
- "Swachhata Drive 2025" undertaken during October to December 2025 towards cleanliness drive and upkeep of premises with active participation of all branches
- Centralized Monitoring project successfully implemented in 256 ATM locations.

Operations

Operations Department of the bank ensures smooth financial operations of the bank's primary activity of opening accounts and releasing of loans. It works towards better efficiencies, controls, compliance and ensures KYC guidelines are adhere to, while keeping the customers' accounts operational. The sub-functions of the operations department are as follows:

1. Cash Management and Currency Chests

Manages Cash holding at Branches and Currency Chests and ensure that it is kept at adequate and optimum levels. Cash transactions are maintained in line with the bank's policies and stipulations of RBI.

2. Regional Processing Centers

Bank operates Regional Processing Centers at Thrissur and Chennai, which help the branches in account opening, processing of various customer request related to their accounts with the bank. RPC- Chennai in additions undertakes cheque clearing.

3. Central Processing Centre

Manages Electronic Payments & Settlements like RTGS, NEFT, NACH, DBT. The department facilitates timely opening of loan accounts. They also provide logistics for supply of cheque book, debit card etc.

4. Depository Participant Operations

Bank is a depository participant of National Securities Depository Limited since last two decades. Bank handles Depository participant activities in compliance with SEBI Regulations, NSDL Bye Laws and NSDL Compliance and Operations Manuals. Insta Demat Account opening, bidding of IPO and right issue for the customers through BSE & NSE portals and Sovereign Gold Bonds related operations are also undertaken.

5. Branch Banking Operations

To facilitate the smooth functioning of the branches, Circulars/ SOPs/Desk Cards / Learning series, etc are issued on need-to-need basis.

6. Offsite Surveillance

Bank implemented an Offsite Surveillance System to implement an internal control system centrally to monitor the financial transactions on daily basis to analyse the exceptions and deviations. The Offsite Surveillance System also monitors other alerts and exceptions, in order to prevent and detect any type of abnormal activity carried out.

7. Trade Finance Operations

Bank offers an array of Trade Finance products and services to exporters and importers through a well-equipped branch network that operates from 14 States and 2 Union Territories. The entire back-end trade finance operations are centralized. The objective is to ensure error free & TAT based processing of transactions.

8. Customer Care Division

Our Bank's customer care centre functions, 24x7 with primary unit in Chennai and Business Continuity Management (BCM) unit in Thrissur. Customers can reach our customer care team for all their queries, requests and complaints related to our Bank's products and services by calling 044-42413000 / 1800 425 1747 or by mailing to customercare@dhanbank.co.in. For the immediate processing of any fraudulent transactions, customers can reach the team by mailing to support@dhanbank.co.in. All the basic facilities like account balance

inquiry, account statement, cheque book requests, etc., are provided through automated IVR services also.

Information Technology

During FY 2025-26, the Bank continued to strengthen its technology landscape with a strategic focus on digital transformation, robust IT governance and enhanced customer experience. Building on the progress of previous years, the Bank has undertaken key initiatives to modernize its systems, improve operational efficiency and deliver seamless digital services. The volume of digital transactions is now 90% of the total transactions.

A major milestone during the year was the successful implementation of the Loan Origination System (LOS). These systems have streamlined the end-to-end credit lifecycle, enabling faster processing, improved monitoring and better risk management.

The Bank has also significantly strengthened its IT Governance framework through enhanced policies, improved control mechanisms and closer alignment with regulatory and industry best practices. This has further reinforced the Bank's commitment to secure, compliant and resilient technology operations.

In line with its customer-first approach, the Bank has undertaken substantial enhancements to its Internet Banking and Mobile Banking platforms. These improvements have focused on user experience, accessibility, performance optimization and advanced security features, resulting in increased customer engagement and adoption of digital channels.

The Bank continues to invest in digital initiatives, automation and paperless processes to improve efficiency across internal operations as well as customer-facing services. Further, the Bank undertakes regular resilience and recovery exercises on a half-yearly basis and periodically evaluates its technology infrastructure and cyber security posture to ensure business continuity and operational stability.

Awards & Recognitions:

- The Head – IT& Digital Banking has been recognized as one of the ET Edge BFSI Top 100 Tech Leaders 2026, highlighting significant contributions towards driving innovation, fostering growth and leveraging transformative technologies within the Bank.

List of major initiatives

- Implemented TAB based application to facilitate Account Opening, Re-KYC and customer service requests.
- Integrated UPI with the GSTN (PAYTAX) application to enhance customer convenience.
- Automated PMJJBY and PMSBY renewals to ensure seamless policy continuity, enhance operational efficiency and improve customer experience

4. Migrated the public domain to 'dhan.bank.in' in line with the regulatory requirement to adopt a secure and compliant '.bank.in' domain for enhanced trust, authentication, and protection against phishing and other cyber threats
5. Implemented Learning Management Application to enable digital training and enhance employee capabilities.
6. Enabled ECS-based collection of Recurring Deposits to ensure automated payments and improve customer convenience
7. Introduced SMS-based blocking of Retail Internet Banking and Mobile Banking services to enhance customer security and enable swift response to potential fraud
8. Upgraded all branches to 'B' category in Core System to enable pan-branch forex transactions and enhance customer access to forex services
9. Real-time fraud monitoring of digital channels strengthened to enhance customer security.
10. Enabled end-to-end online Re-KYC through Retail Internet Banking to enhance customer convenience.
11. Enabled UPI onboarding and transactions for customers with international mobile numbers, enhancing global accessibility and digital payment adoption.
12. Enabled Digital KYC in DCAMS for differently abled persons promoting inclusive banking and enhancing customer onboarding experience
13. Digitized ATM withdrawal dispute handling via Mobile Banking, reducing manual intervention and enabling faster resolution and tracking
14. Enabled UPI services for Dhanam Genius and Dhanam Yuvak customers upon attaining 18 years, ensuring seamless transition to full digital banking capabilities
15. Launched 'ASHRAYA' application to streamline and digitize death claim settlement processes.
16. Enabled online modification of communication address via RIB and MB, empowering customers with secure and convenient self-service option.
17. Digitized the credit card closure process in RIB & MB, minimizing manual intervention and improving turnaround time.
18. Enabled delegated payment functionality (UPI Circle) in UPI
19. Strengthened the UPI ecosystem by introducing exclusive UPI IDs with the '@validdlb' handle for SEBI-registered intermediaries to collect funds from the investors through UPI
20. Enabled net banking registration using credit card details- simplifying the onboarding process and improving customer convenience
21. Strengthened dispute handling of digital transactions through UDIR in Retail Internet Banking and Mobile Banking, minimizing manual intervention and enhancing resolution efficiency.

Alternate Channels

The Alternate Channels Department is responsible for the deployment, maintenance, and support of Automated Teller Machines (ATMs) and Cash Recycling Machines (CRMs). As on March 31, 2026, the Bank has deployed 285 ATMs/CRMs across the country. During the branch relocation exercise, six existing ATMs were shifted to the new premises of the respective branches. Additionally, three new onsite ATM locations were commissioned. This relocation ensured that customers continued to have uninterrupted access to cash withdrawal facilities at the most convenient locations aligned with branch operations. Additionally, five offsite ATMs were strategically closed and moved to onsite locations within branch premises. This decision was aimed at significantly reducing recurring rental, maintenance, and security costs associated with operating ATMs at external sites, while improving operational control. To further improve cost efficiency the Cash Replenishment & Administration (CRA) handling of 3 ATMs was transferred to their respective branches. This decentralization allows branches to directly oversee ATM cash management, resulting in faster response times for replenishment and issue resolution, as well as reduced reliance on centralized vendor services.

As part of infrastructure upgradation,

- the Bank onboarded three ATM vendors viz. OKI, Diebold, and Hitachi for deployment of diverse ATM models at branches. Further, all VSAT connectivity was migrated to 5G network through M/s Hughes Communications.
- Onboarded M/s Hitachi for ATM loading activities, which help us the offsite ATM loading activity. And Onboarded M/s Diebold for the ATM management services and SLM activities.
- Migration to the revamped debit card management system- Crotex.
- Implemented the PIN Encryption facility from "Variant" to "Key Block" for RuPay NFS network which will enhance the integrity and security of transactions on the RuPay and NFS network.
- Implemented Online Dispute Resolution process for both issuing and acquiring ATM transactions for handling and resolving customer complaints online in a better way.
- Implemented NPCI program to implement EMV 3DS standard which is named as NPCI Secure Nxt, which provides a strong security layer for user authentication and complies with EMV and regulator's regulations
- Implementation of Visa Clearing Exchange (VCX) which Visa's next-generation clearing and settlement interface designed to replace the existing Edit Package 4.0 application. VCX enables secure, efficient, and standardized exchange of clearing data between Visa Net and endpoint processors.

In line with our focus on digital payments, 1590 new Sound Box devices were installed at merchant outlets. These devices provide instant audio confirmation of successful transactions, boosting

merchant confidence and reducing payment disputes. Alongside this, 486 new Point-of-Sale (POS) machines were deployed, expanding our merchant acquiring network and promoting cashless transactions. Introduced new PoS terminal models E600 and E700 for Temple Solution through the service provider Pinelabs. Reduced existing rentals and MDR commercials of one of our PoS service providers M/s. Skilworth Technologies (BijliPay) through several negotiations and introduced 2 new terminal models, all in one PoS and QR sound box.

Integrated Payment Gateway for BVVS Kudumba Mitram Benevolent Society, Gurukulam School, Amrita School of Medicine and Amrita Vidyalayam Durgapur.

The reconciliation process for all major digital banking channels, including UPI, IMPS, DCRS, and IBOPS, was successfully managed during the review period. This involved ensuring complete accuracy, settlement, and verification of high-volume transactions across platforms. Around 22,000 Crore number of transactions were reconciled, reflecting the robustness of our systems, the efficiency of our operations team, and our commitment to maintaining seamless and error-free digital payment services for customers.

Credit Cards

To elevate customer convenience and enrich the overall banking experience, during the current fiscal, Bank unveiled 2 new credit card variants, i.e., Dhan Vriddhi (RuPay Platinum) and Dhan Samriddhi (RuPay Select), complementing the existing Dhan Namaste (VISA Platinum). Crafted to deliver seamless financial flexibility, these RuPay variants further enable credit card usage on UPI enhancing everyday digital payments. With curated benefits such as cashback on routine spends, airport lounge access, reward points, EMI options, and secure transactions, these cards empower customers with a refined and rewarding spending experience.

Information Security

In line with the Reserve Bank of India (RBI) Cyber Security Framework, the bank has implemented key security policies, including the Cyber Security Policy, Information Security Policy, Digital Payment Security Policy, Business Continuity Policy, IT Outsourcing Policy, and Cyber Crisis Management Plan. These policies are reviewed annually to ensure ongoing compliance with regulatory requirements.

Furthermore, we continue to enhance our cybersecurity resilience through regular participation in cybersecurity drills aimed at refining our incident response mechanisms. These drills are essential for testing the effectiveness of our preparedness and ensuring that our response to cyber incidents remains timely and efficient. Bank also have 24/7 SOC operations.

Certifications and Standards

Our commitment to maintaining the highest standards of

information security is reflected in our achievement of ISO/IEC 27001:2022 Certification for Information Security Management Systems (ISMS) as of April 2025. This certification underscores our alignment with global cybersecurity standards and reinforces our commitment to maintaining robust security measures. Additionally, the bank has been certified with PCI DSS (Payment Card Industry Data Security Standard), ensuring the protection of sensitive cardholder data, including credit and debit card numbers, expiration dates, and security codes. This certification provides assurance to our stakeholders regarding the security of their financial information.

Internal Audit

While the business continues to grow with the advent of emerging technology, evolving business models, dynamic regulatory environment, cyber security, data privacy and the changing needs of the customers, it is critical that a strong control framework is maintained across all functions of the Bank. Internal Audit function of the Bank plays a critical role in ensuring a strong control framework and provides vital assurance to Board and supervisors as to the quality of bank's internal control mechanism. Internal Audit also ensures prompt reporting of Internal control deficiencies and effectiveness of risk management functions.

The Reserve Bank of India has brought about continuous changes in the Internal Audit framework so as to align it with international practices and to build robust controls to enhance governance, regulation and supervision. Bank has meticulously implemented the directives of the regulator. Internal audit function of the Bank has sufficient authority, stature, independence, thereby enabling internal auditors to carry out their assignments with objectivity. Adequate training has been provided to all internal auditors and audit staff at premium training institute such as NIBM, IIBF etc.

During FY 2025-26, 176 Branches and 5 Business Units of the Bank were covered under Risk Based Internal Audit (RBIA). 61 Branches and 17 Business units were brought under concurrent audit coverage. Management audit of 21 departments and 8 Regional Offices, credit audits of eligible accounts and Sustenance audit of randomly selected branches were also conducted during the year. Surprise inspections were conducted in all the Branches with a frequency of once in a quarter. Currency chest inspections were conducted on a bi-monthly basis.

The Information System Audit wing of the Bank plays a major role in assessing/ensuring alignment of Bank's Digital ecosystem with regulatory norms and Bank's Information Security objectives and Information Technology Objectives. During the FY 2025-26, IS Audit was conducted for Data Centre, DR Site, Digital delivery channels, CBS and various critical IT applications. The SAR audit on Data localisation and various audits stipulated by Regulatory Authorities were conducted during the year. The officials of IS Audit wings were undergone periodic trainings to acquaint with the rapid changes in the technology, cyber security and regulatory environment.

Irregularities observed in the various audits are first reviewed by the Audit Committee of Executives (ACE). Significant audit findings are reviewed by the Audit Committee of Board (ACB). The Audit Committee of the Board provides directions and advises the audit team on corrective actions. ACB also reviews the adequacy of the internal audit function, including the reports and frequency of audits.

Vigilance Department

The Vigilance function of the Bank aims to achieve a high level of integrity in systems and procedures by creating awareness and fostering commitment and probity at all levels, thereby contributing to high standards of efficiency and professionalism. The Vigilance function is responsible for ensuring that public money is not misused by delinquent elements exploiting loopholes in systems and procedures.

The Bank has a well-defined and comprehensive Board-approved Vigilance Policy, which is reviewed annually by the Board. The Bank also has a Whistle Blower Policy aimed at conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity, and ethical behaviour. The Whistle Blower Policy provides a mechanism for employees and stakeholders to report instances of corruption, misuse of office, unethical behaviour, actual or suspected fraud, or violations of the Bank's Code of Conduct, including non-compliance with rules and regulations that may result in financial loss, operational risk, or reputational damage, thereby affecting depositors and public interest.

The Department is responsible for conducting investigations, wherever necessary, based on complaints or inputs received from whistleblowers. This is in addition to the Protected Disclosure Scheme framed in line with RBI directions. The Bank sensitizes its officials on the need for robust appraisal and effective credit monitoring mechanisms throughout the lifecycle of loan accounts, along with necessary precautions in day-to-day operations to mitigate fraud risk. Root Cause Analysis of reported frauds is conducted, and wherever system flaws or control weaknesses are identified, appropriate corrective measures are recommended.

Observance of Vigilance Awareness Week 2025

In connection with Vigilance Awareness Week 2025, the Bank initiated various activities to create awareness among staff members as well as the general public. The Bank observed the week by administering the Integrity Pledge to all staff members at the Head Office, Regional Offices, and branches. A handbook on preventive vigilance titled "VIGIL-2025" was also released and circulated among branches and controlling offices to guide staff and reinforce the importance of vigilance practices. A survey on preventive vigilance was also conducted, which was participated by most of the staff members.

A quiz competition on Knowledge Series and Fraud Prevention Mechanisms was organized on October 30, 2025, with enthusiastic staff participation. The valedictory function on the theme

"Vigilance: Our Shared Responsibility" was held at the Bank's Corporate Office, Thrissur on November 1, 2025. Shri V. Devaraj, Additional Superintendent of Police, CBI-ACB, Kochi, attended as Chief Guest. The quiz winners were felicitated during the event.

On the final day of Vigilance Awareness Week, a walkathon was successfully conducted on 02.11.2025 at Thrissur Swaraj Round. The event witnessed overwhelming participation from member banks, with more than 100 employees taking part. The walkathon focused on creating awareness about cyber frauds among the general public, with staff members carrying placards displaying various cyber fraud alerts.

LEGAL

Legal Department of the Bank inter-alia takes care of the following:

- ensure proper due diligence in documentation to augment the business of the Bank
- devise the ways and means to implement preventive legal measures in tune with the statutory provisions, regulatory prescriptions and judicial expositions
- minimize the legal risks in the decision-making process of the Bank and thus mitigating the legal and operational risks in a time bound manner.
- follow up all litigations filed by and against the Bank through appropriate steps and continuous monitoring till its logical conclusion

The Bank has its credit a well-defined Legal Policy, which defines and support the functions of the Legal Department of the Bank.

The Bank is having a well-structured and defined Manual on Documentation to suit the loan products, updated from time to time, in tune with the statutory and regulatory changes.

Legal Dept is capable of supporting the Bank to understand the legislative changes that may affect the operations and business.

KYC – "Know Your Customer" and AML – "Anti Money Laundering"

The Bank's Know Your Customer (KYC) and Anti-Money Laundering (AML) framework is aligned with the RBI Master Direction on KYC, the Prevention of Money Laundering Act (PMLA), 2002, and the PMLA Rules, as applicable. The framework is also guided by regulatory expectations and international standards aimed at combating money laundering, terrorist financing and other financial crimes.

The AML function plays a vital role in protecting the Bank and the financial system from misuse by ensuring customer due diligence, risk-based monitoring, identification of unusual transaction patterns, and timely escalation of suspicious activities. The Bank adopts a risk-based approach by considering the customer profile, the nature of the business, transaction behaviour, volume and frequency, and other relevant risk indicators.

The Bank has implemented an automated AML monitoring solution to identify potentially suspicious transactions based on defined scenarios, thresholds, and behavioural patterns. Alerts

generated through the system are reviewed by dedicated teams and escalated, wherever required, in accordance with internal policies and regulatory requirements. Periodic reviews, monitoring of high-risk accounts and reporting obligations are carried out to ensure continued compliance.

Through continuous strengthening of KYC and AML controls, transaction monitoring processes and regulatory reporting mechanisms, the Bank remains committed to preventing money laundering, terrorist financing and other financial crimes, while maintaining the integrity of the banking ecosystem.

Risk Management

Bank has adopted an integrated approach for the management of risk. The Bank's risk management functions are overseen by the Board of Directors and the Risk Management Committee of the Board (RMCB) at the Board level. At the executive level, Bank has Asset Liability Management Committee (ALCO), Credit Risk Management Committee (CRMC), Operational Risk Management Committee (ORMC) and Market Risk Management Committee (MRMC) for Risk Management.

Bank has framed comprehensive risk management policies to manage various types of risks like ICAAP (Internal Capital Adequacy Assessment Process) Policy, Credit Risk Management (CRM) Policy, Asset Liability Management Policy, Operational Risk Management Policy, Market Risk Management Policy and Integrated Risk Management Policy. The Stress testing Policy of the Bank was formulated to define different stress scenarios according to the RBI guidelines. The Bank has also developed various other risk Policies such as Stressed Industry Risk Management Policy, Fund Transfer Pricing Policy, Key Risk Indicator framework, Credit Pricing Policy and Risk Appetite Framework, etc., for better management of various Risk functions.

Credit Risk: The credit risk management aims at ensuring sustained growth of healthy credit portfolio. Exposure caps in terms of individual, group, industry/ sector and segment level are defined to control portfolio concentrations and to ensure a fairly diversified spread of credit portfolio. Bank has developed comprehensive risk rating system that serves as a single point indicator of diverse risk factors of counterparty and for taking credit decisions in a consistent manner. The Bank assesses the credit risk at the portfolio level as well as at the exposure or counterparty level. It has a robust credit risk management framework comprising of the three distinct building blocks namely Policy & Strategy, Organizational structure and Operations/ Systems.

Bank has a Board approved CRM Policy which deals with the various measures of Credit risks, goals to be achieved, current practices and future strategies.

The Credit Risk Management Committee of the Bank deals with issues relating to Credit Risk, which includes implementation of Rating models, monitoring of prudential limits on credit exposure, credit portfolio analysis, rating migration study, etc.

Market and Liquidity Risk: Market Risk is defined as the possibility of loss to a bank caused by changes in the market variables. Liquidity risk is the risk to a bank's earnings and capital arising from its inability to timely meet obligations when they come due without incurring unacceptable losses. The primary tool of monitoring liquidity is the mismatch/ gap analysis, which is monitored over successive time bands on a static basis. Moreover, the funds readily available as a back stop to meet contingency situations are measured and analyzed on a continuous basis.

Interest Rate Risk is another major risk involved in market risk. It is the risk of a bank which leads to financial loss due to adverse movement in interest rates. The immediate impact of changes in interest rates is on bank's earnings due to change in Net Interest Income (NII) and long-term impact of changing interest rates is on bank's market value of equity (MVE) or Networth as the economic value of bank's assets, liabilities and off-balance sheet positions get affected due to variation in market interest rates. The Bank measures the impact on Economic Value of Equity (EVE) on a monthly basis using Duration Gap Analysis. Bank uses VaR limits in the trading portfolios to determine the potential loss on a 10 day holding period basis with a 99% confidence level.

ALCO plays an important role in deciding the business strategy of the Bank in line with the Bank's budget, Corporate Goals and risk tolerance levels decided by the Board having regard to the Capital Adequacy and Regulatory prescriptions. Bank has also a Market Risk Management Committee which is responsible for ensuring /adhering to the market risk limits set by the Board and plays a major role in devising the market risk strategy of the Bank.

Operational Risk: Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems or from external events. It is impacted by numerous factors such as internal business processes, regulatory landscape, business growth, customer preferences, and even factors external to the organization. It is highly dynamic in nature where new and emerging forces such as breakthrough technologies, data availability, new business models, interaction with third parties, etc., continuously create new demands on Operational Risk Management Framework. The Bank has a comprehensive policy on Operational Risk Management to ensure that all the operational risks within the Bank are identified, monitored and reported in a structured manner and delivery of critical functions is ensured in the event of any disruption by strengthening Operational Resilience. The Operational Risk Management Committee consisting of the Bank's senior management including MD & CEO is responsible for the implementation of the Operational risk policy/strategy approved by the Board.

Bank had rolled out the Risk and Control Self-Assessment (RCSA) to pro-actively identify emerging risks at operational level for devising mitigants at source itself and has been carrying out RCSAs in branches and other business functions. Collation of Loss Events is also being continued as a measure to move towards

The Basel III (new) Standardized Approach for capital calculation. Bank has also established a Key Risk Indicator Framework across the Bank which assists in identification, assessment, monitoring and mitigation of operational risk. Apart from these, in view of the emerging risks related to business continuity, interaction with business third parties, changing business models etc., Risk Assessments of various processes and products are carried out.

Fraud Risk Management (FRM):

I. Digital Payment Transactions Fraud Monitoring System

Bank has deployed Enterprise Fraud Risk Management (EFRM) Solution covering all the major Payment Channels, including ATM/ POS/ E-commerce (Debit Card & Credit Card), Internet Banking (RIB/ CIB), Mobile Banking, and UPI. The real-time monitoring mechanism, driven by predefined fraud detection and prevention scenarios, strengthens the security framework and enhances protection across the digital payment ecosystem. EFRM-generated alerts are verified with customers in real time to confirm the authenticity of transactions. If any transaction is found to be suspicious or fraudulent, necessary preventive actions, including blocking of the respective channel, are initiated immediately.

The Bank's Enterprise Fraud Risk Management (EFRM) solution underwent a significant upgradation during the year to enhance security, operational efficiency, and alignment with evolving technological standards. This includes the implementation of inline monitoring mechanisms across all Digital Payment Channels. The Bank has also initiated the adoption of AI/ ML-based capabilities to strengthen fraud detection through advanced machine learning models.

The Bank has introduced e-KYC authentication request monitoring within the EFRM framework through system integration, in compliance with the GRCP (Governance Risk Compliance Professional) Audit observation to detect fraudulent activities arising from e-KYC authentication requests.

II. Cyber Fraud Reporting and Grievance Mechanism

FRM Cell also act upon the Cyber Fraud complaints reported by our customers at our Bank, through various touch points such as Customer Care, Branches, etc., or through National Cyber Crime Reporting Portal (NCRP Portal by MHA). For such complaints reported through NCRP Portal, the money transfer details are immediately updated and escalated to the beneficiary Bank through the NCRP Portal. All the cyber complaints shall be analysed, after taking the detailed Root Cause Analysis (RCA), and escalating this to Reconciliation Team for the grievance redressal of the complaint.

III. Cyber Awareness Initiatives

The FRM Cell initiative titled "Cyber Watch," aligned with the Cyber Jagarookta Diwas programme of the Ministry of Home Affairs, under which cyber awareness content is disseminated through a periodic publication circulated on a weekly basis among employees and customers to enhance awareness on mitigating Cyber-enabled financial frauds. The initiative also supported the Reserve Bank of India's (RBI) mission "Har Payment Digital" by actively promoting key themes during the Digital Payments Awareness Week (DPAW) 2026, scheduled in March 2026, thereby reinforcing the Bank's commitment to strengthening cyber hygiene and ensuring safe digital payment practices.

Compliance

The compliance function is the guardian of the bank's rulebooks and the regulator. It protects the Bank from risks by ensuring the business remains within regulatory parameters.

The Bank's Compliance Policy strengthens the compliance function, enabling it to be adequately enabled, strengthened, and independent. The Policy reflects the Bank's commitment to maintaining high regulatory compliance standards. It is reviewed periodically to ensure continued relevance and effectiveness. We kept our policy updates in line with the regulators' guidelines as they are issued.

The Compliance Manual, which outlines the compliance functions of each unit in the Bank, serves as guidance for business units/offices. It is comprehensively updated to stay contemporary. The Bank has well-laid-out procedures and an online mechanism to monitor compliance. We have a compliance team available to oversee compliance functions at various levels. Compliance Officers have been nominated across all units to monitor compliance and develop a robust compliance culture in the Bank.

The Bank is educating employees through circulars, frequent contact sessions, e-learning, and online tests to build a strong/ dynamic compliance culture across the Bank. The Department serves as the focal point for regulators such as the RBI, SEBI, and IRDAI on compliance matters. The Compliance function has conducted training and workshops to build a compliance culture among employees working at all levels of business units and branches. The bank has automated regulatory compliance to track implementation across the Bank, proactively detect lapses, and quickly remediate them. To ensure we meet all regulatory requirements and maintain strong controls, the Department has strengthened monitoring and conducted compliance testing. In addition, thematic reviews and internal assessments have been conducted to further strengthen internal controls. The bank is automating regulatory reporting in phases, thereby avoiding manual submissions and improving data quality. The Bank has taken corrective steps regarding the monetary penalties imposed by the Reserve Bank of India during the financial year.

Human Resources

Human Capital Enhancement

During the reporting period, the Bank successfully onboarded resources, demonstrating our continued investment in talent acquisition and organizational capacity building. This recruitment drive aligns with our strategic objectives of enhancing service delivery capabilities and supporting business expansion across all operational verticals.

Training and Professional Development

Bank's commitment to continuous learning and professional excellence remained firm throughout FY 2025-26. Bank implemented a comprehensive training agenda that covered 168 specialized programs and successfully trained employees across various competency areas. Bank also has introduced Online Learning Platform (Learning Management System – LMS) and hosted various training modules to its employees.

Key Training Focus Areas

The Bank's training initiatives were strategically designed to address critical operational requirements and regulatory compliance standards. Our specialized training programs emphasized the following priority areas:

- Credit Management and Risk Assessment: Enhancing lending practices and credit evaluation capabilities
- Information Security and Cyber Security: Strengthening digital security protocols and threat mitigation strategies
- Regulatory Compliance: Ensuring adherence to evolving banking regulations and industry standards
- Preventive Vigilance: Building proactive risk management and fraud prevention capabilities

- Know Your Customer (KYC) and Anti-Money Laundering: Reinforcing customer due diligence and compliance frameworks to adhere the regulatory guidelines
- Trade Finance Operations: Developing expertise in international banking and trade facilitation
- Sales and Customer Relationship Management: Enhancing business development and customer service skills
- Regulatory Guidelines Implementation: Ensuring seamless adoption of new regulatory mandates and best practices.

Strategic Direction:

These initiatives speak to something deeper than training — they reflect the Bank's belief that excellence is cultivated, not assumed. A workforce that is empowered, well-prepared, and growth-oriented is our strongest asset in an ever-evolving banking landscape. Through sustained investment in our people, we deliver not just compliance and competence, but the kind of inspired service that earns lasting trust from every stakeholder we serve.

Corporate Social Responsibility

The Bank is grateful to the society for the support and encouragement in the Bank's growth and development. The Bank believes that no organization can make sustainable development without the patronage from the society. The Bank is committed in the integration of social and environmental concerns in its business operations and also in the interactions with its stakeholders. The Bank shall continue to have among its objectives, the promotion and growth of the national economy and shall continue to be mindful of its social and moral responsibilities to customers, shareholders, employees and society. The Bank's CSR mission is to contribute to the social and economic development of the community.

Report on Corporate Governance

(This Report is in terms of Regulation 34(3) read with part C of schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and forms part of the Directors' Report dated August 19, 2026)

The Corporate Governance philosophy of the Bank places strong emphasis on transparency, accountability and integrity in all the business activities of the Bank. The objective is to uphold transparency and integrity in all its operations, thereby optimizing shareholder value. The Bank believes that its business plans and strategies should be consistent with the above objective leading to sustained growth and long-term benefit to all. The Bank follows this principle meticulously in all its business dealings and decisions.

1. BOARD OF DIRECTORS

Composition of Board

The composition of the Board of Directors of the Bank as on March 31, 2026, the category of each Director and the sector represented by them according to the Banking Regulation Act, 1949 are given below:

S. No.	Name of Director	Category of Director	Sector represented by the Director according to the Banking Regulation Act, 1949	Equity Shares held in the Bank	Directorship in other companies	Member of Committees of the Boards of other companies**
1	Sri K. N Madhusoodanan	Chairman & Non-Executive Independent Director	Agriculture and Rural economy	3720374* (0.94% of the paid-up capital of the Bank)	Promoter & Managing Director of: - Mavanal Granites Private Limited - Mavanal Builders Private Limited - Vajra Sand and Granite Mining industries Private Limited - K N Madhusoodanan Contractors Private Limited - Premium Hotels and Resorts Private Limited	Nil
2	Sri Ajith Kumar K. K	Managing Director & CEO	Banking & Agriculture and Rural Economy	Nil	Nil	NA
3	Sri P. Suriaraj	Executive Director	Banking	3000	Nil	NA
4	Sri G. Rajagopalan Nair	Non-Executive Independent Director	Information Technology	Nil	Nil	NA
5	Dr. Nirmala Padmanabhan	Non-Executive Independent Director	Economics	Nil	Non-independent Director of BhuME Women's Collective Private Limited Teresian Innovation and Business Incubation Council (a company registered under Section 8 of the Companies Act, 2013)	Nil

S. No.	Name of Director	Category of Director	Sector represented by the Director according to the Banking Regulation Act, 1949	Equity Shares held in the Bank	Directorship in other companies	Member of Committees of the Boards of other companies**
6	Ms. Vardhini Kalyanaraman	Non-Executive Independent Director	Accountancy	Nil	Nil	NA
7	Dr. Jineesh Nath C. K	Non-Executive Director	Minority	29593200 (7.49% of the paid-up capital of the Bank)	- C.K.G Finance Private Limited - Chittilangatt Kalam Holdings Private Limited	NA
8	Sri Ashutosh Khajuria	Non-Executive Independent Director	Banking and Finance	Nil	Independent Director of: - Kriti Nutrients Limited - Clearcorp Dealing Systems (India) Limited - SBI Mutual Fund Trustee Company Private Limited - Additional Director (Independent Category) of - M/s. TVS Alpha Finance Private Limited (formerly known as M/s. Harita Srinivasan Private Ltd) - M/s. TVS Alternatives Private Limited	Member of the Audit Committee of the Board of Kriti Nutrients Limited and Member of Audit Committee of SBI Mutual Fund Trustee Company Private Limited
9	Sri C. Nageswara Rao	RBI Additional Director	NA	Nil	Nil	NA
10	Ms. Sujatha J	RBI Additional Director	NA	Nil	Nil	NA

*includes 933210 equity shares (0.23%) held by Mavanal Granites Private Limited, where Sri K.N Madhusoodanan is the promoter as well as Managing Director

**considering only Membership in Audit Committee of the Board & the Stakeholders' Relationship Committee across the other public limited companies where the Board Member of the Bank is a director

As on March 31, 2026, the Board of Directors of the Bank had 10 Directors comprising of the Chairman, Managing Director & CEO, Executive Director, 4 non-executive Independent Directors, one non-executive non independent Director and 2 Additional Directors appointed by the Reserve Bank of India under Section 36AB of the Banking Regulation Act, 1949. Our Chairman is also an Independent Non-Executive Director.

All the Directors have rich experience and specialized knowledge in various sectors like banking, agriculture and rural economy, economics, risk management, information technology, accountancy, etc. The remuneration / sitting fees paid to the Directors during the year are disclosed in Report on Corporate Governance. Declarations have been taken from Independent Directors as required under the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and the guidelines issued by RBI. None of the Directors of the Bank are related inter-se, in terms of Section 2(77) of the Companies Act, 2013 and rules made thereunder.

There are no changes in any of the above information from March 31, 2026 to the date of this Report, except for the following:

- 1 In the Meeting of the Board of Directors of the Bank held on 29.07.2026, Sri Rajan T. K was appointed as Additional Director (Non-Executive Independent) of the Bank w.e.f. July 29, 2026. His term of appointment as Non-Executive Independent Director will be for five years w.e.f. July 29, 2026, subject to the approval of the Shareholders of the Bank in the Annual General Meeting to be held on Wednesday, September 23, 2026. Sri Rajan T.K will be representing "Information Technology" as required under Section 10(2)(a) of the Banking Regulation Act, 1949.
- 2 In the Meeting of the Board of Directors of the Bank held on 07.08.2026, Sri T.V Rao was appointed as Additional Director (Non-Executive Independent) of the Bank w.e.f. September 01, 2026. His term of appointment as Non-Executive Independent Director will

be for three years w.e.f. September 01, 2026, subject to the approval of the Shareholders of the Bank in the Annual General Meeting to be held on Wednesday, September 23, 2026. Sri T.V Rao will be representing "Payment& Settlement Systems" as required under Section 10(2)(a) of the Banking Regulation Act, 1949.

Detailed profiles of all the Board Members are available on the Bank's website at <https://www.dhan.bank.in/board-of-directors/>.

Board Meetings

A total of 14 Board Meetings were held during the financial year 2025-26 on 09-05-2025, 04-06-2025, 19-06-2025, 21-07-2025, 26-08-2025, 23-09-2025, 29-10-2025, 04-11-2025, 24-12-2025, 29-12-2025, 21-01-2026, 04-03-2026, 09-03-2026 and 24-03-2026.

The details of attendance of each Director at the Board meetings and at the last Annual General Meeting (AGM) held on September 29, 2025 are as follows:

S. No.	Name of Director	No of Board Meetings		Attendance at last AGM
		Held during the Tenure	Attended	
1	Sri K.N Madhusoodanan	14	14	Present
2	Sri Ajith Kumar K. K	14	14	Present
3	Sri P. Suriaraj	14	14	Present
4	Sri G. Rajagopalan Nair	14	14	Present
5	Dr. Nirmala Padmanabhan	14	14	Present
6	Ms. Vardhini Kalyanaraman	14	13	Present
7	Dr. Jineesh Nath C. K	14	14	Present
8	Sri C. Nageswara Rao, RBI Additional Director	14	14	NA
9	Sri Ashutosh Khajuria	14	14	Present
10	Smt. Sujatha J, RBI Additional Director*	6	6	NA
11	Sri D.K Kashyap, RBI Additional Director*	8	8	NA

* Reserve Bank of India has appointed Smt. Sujatha J, General Manager, Reserve Bank of India as Additional Director on the Board of the Bank, in place of Sri D K Kashyap, for a period of two years from November 19, 2025 to November 18, 2027 or till further orders, whichever is earlier.

Changes in Directors during the year 2025-2026

1. Sri Ashutosh Khajuria was appointed as Director (Non-Executive Independent) on the Board of the Bank w.e.f. March 22, 2025 and his appointment as Independent Director for a period of 5 years w.e.f March 22, 2025 was approved by the Shareholders of the Bank vide postal ballot on June 16, 2025.
2. Dr. Jineesh Nath C.K was re-appointed as Non-Independent Non-Executive Director, liable to retire by rotation, at the Annual General Meeting of the Bank held on September 29,2025.
3. Sri C. Nageswara Rao, General Manager, Reserve Bank of India was appointed by Reserve Bank of India as Additional Director on the Board of the Bank in accordance with the provisions of Section 36AB (1) of the Banking Regulation Act, 1949 from November 18, 2023 to November 17, 2025. RBI has further extended the term of office of Sri C. Nageswara Rao for a further period of two years from November 18, 2025 to November 17, 2027 or till further orders, whichever is earlier.
4. Reserve Bank of India had appointed Ms. Sujatha J, General Manager, Reserve Bank of India as Additional Director on the Board of the Bank in accordance with the provisions of Section 36AB (1) of the Banking Regulation Act, 1949, in place of Sri D. K Kashyap, for a period of two years from November 19, 2025 to November 18, 2027 or till further orders, whichever is earlier.

Changes in Directors during the year 2026-27 till the date of the report

1. In the Meeting of the Board of Directors of the Bank held on 29.07.2026, Sri Rajan T.K was appointed as Additional Director (Non-Executive Independent) of the Bank w.e.f. July 29, 2026. His term of appointment as Non-Executive Independent Director will be for five years w.e.f. July 29, 2026, subject to the approval of the Shareholders of the Bank in the Annual General Meeting to be held on Wednesday, September 23, 2026.

2. In the Meeting of the Board of Directors of the Bank held on 07.08.2026, Sri T. V Rao was appointed as Additional Director (Non-Executive Independent) of the Bank w.e.f. September 01, 2026. His term of appointment as Non-Executive Independent Director will be for three years w.e.f. September 01, 2026, subject to the approval of the Shareholders of the Bank in the Annual General Meeting to be held on Wednesday, September 23, 2026.

Position of Directors in the various Committees of the Board of the Bank as on 31st March 2026

S. No.	Name of Director	Chairman	Member
1	Sri K. N Madhusoodanan	- Special Committee of the Board for Monitoring and Follow-up of cases of Frauds - Customer Service Committee of the Board	- Corporate Social Responsibility Committee - Nomination & Remuneration Committee - Redressal Committee on Willful Defaulters& Review Committee on Non-Cooperative Borrowers
2	Sri Ajith Kumar K. K	Redressal Committee on Willful Defaulters& Review Committee on Non-Cooperative Borrowers	- Credit & Business Committee of Board - HRD Committee - Special Committee of the Board for Monitoring and Follow-up of cases of Frauds - NPA Monitoring Committee - Risk Management Committee of the Board - Stakeholders' Relationship Committee - Corporate Social Responsibility Committee - Customer Service Committee of the Board - IT Strategy Committee of the Board
3	Sri P. Suriaraj		- Credit & Business Committee of Board - Stakeholders' Relationship Committee - Corporate Social Responsibility Committee - Customer Service Committee of the Board - Redressal Committee on Willful Defaulters& Review Committee on Non-Cooperative Borrowers
4	Sri G. Rajagopalan Nair	- Credit & Business Committee of Board - IT Strategy Committee of the Board	- Audit Committee of the Board - HRD Committee - NPA Monitoring Committee - Risk Management Committee of the Board - Nomination & Remuneration Committee
5	Dr. Nirmala Padmanabhan	- Corporate Social Responsibility Committee - Nomination & Remuneration Committee	- Credit & Business Committee of Board - HRD Committee - Special Committee of the Board for Monitoring and Follow-up of cases of Frauds - Risk Management Committee of the Board - IT Strategy Committee of the Board
6	Ms. Vardhini Kalyanaraman	Audit Committee of the Board	- Special Committee of the Board for Monitoring and Follow-up of cases of Frauds - Risk Management Committee of the Board - Stakeholders' Relationship Committee - IT Strategy Committee of the Board - Nomination & Remuneration Committee - Redressal Committee on Willful Defaulters& Review Committee on Non-Cooperative Borrowers
7	Dr. Jineesh Nath C. K	- HRD Committee - NPA Monitoring Committee - Stakeholders' Relationship Committee	- Audit Committee of the Board - Credit & Business Committee of Board - IT Strategy Committee of the Board - Nomination & Remuneration Committee

S. No.	Name of Director	Chairman	Member
8	Sri Ashutosh Khajuria	Risk Management Committee of the Board	- Credit & Business Committee of Board - HRD Committee - Special Committee of the Board for Monitoring and Follow-up of cases of Frauds - NPA Monitoring Committee - Customer Service Committee - Nomination & Remuneration Committee
9	Sri C. Nageswara Rao, RBI Additional Director		Audit Committee of the Board
10	Ms. Sujatha J, RBI Additional director		Audit Committee of the Board

As on March 31, 2026, Sri Ashutosh Khajuria also holds directorship in the following listed/public limited companies:

- M/s. Kriti Nutrients Limited, where he is also a Member of the Audit Committee of the Board
- Clearcorp Dealing Systems (India) Limited

No other Director of the Bank holds directorship in any other listed/public limited company.

None of the Directors is a member of more than ten Committees or Chairperson of more than five Committees across all listed companies in which he is a director, as required under Regulation 26 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. For the purpose of determination of this limit, chairpersonship and membership of Audit Committee and Stakeholders' Relationship Committee is only taken into account.

There is no change in any of the above information from March 31, 2026 to the date of this Report.

Skills / Expertise / Competence of Board of Directors

The Bank is regulated by the provisions of the Banking Regulation Act, 1949 besides the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013. In terms of Section 10A(2)(a) of the Banking Regulation Act, 1949, not less than fifty-one per cent of the total number of 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 certain areas / sectors as specified in the said Act. The Board of Directors of the Bank is guided by the provisions of aforesaid regulations and the business requirements as and when any new Directors are appointed on the Board. The Bank has identified the skills/expertise/competencies as required to be possessed by its Board, in the context of its businesses and the sectors, for it to function effectively. The details of the skills/expertise/competencies possessed by the Directors, *inter-alia* in terms of Section 10A(2)(a) of the Banking Regulation Act, 1949, are as follows:

S. No.	Name of Director	Skills/expertise/competencies
1	Sri K. N Madhusoodanan	Agriculture and Rural economy
2	Sri Ajith Kumar K. K	Banking & Agriculture and Rural Economy
3	Sri P. Suriaraj	Banking
4	Sri G. Rajagopalan Nair	Information Technology & Risk Management
5	Dr. Nirmala Padmanabhan	Economics
6	Ms. Vardhini Kalyanaraman	Accountancy
7	Dr. Jineesh Nath C. K	Business Management
8	Sri Ashutosh Khajuria	Banking & Finance
9	Sri Rajan T. K	Information Technology

In the Meeting of the Board of Directors of the Bank held on 07.08.2026, Sri T.V Rao was appointed as Additional Director (Non-Executive Independent) of the Bank w.e.f. September 01, 2026. His term of appointment as Non-Executive Independent Director will be for three years w.e.f. September 01, 2026, subject to the approval of the Shareholders of the Bank in the Annual General Meeting to be held on Wednesday, September 23, 2026.

2. COMMITTEES OF BOARD

The Board has constituted various Committees of the Board in accordance with the provisions of the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Banking Regulation Act, 1949, the guidelines issued by RBI and other applicable regulations to take informed decisions in the best interests of the Bank. These Committees monitor the activities falling within their terms of reference. The terms of reference of these Committees, the composition of the Committees as on March 31, 2026 and the number / dates of meetings of various Committees in the financial year 2025-26 along with the attendance of the Directors in such meetings are detailed below.

(A) Audit Committee of the Board

The Board of the Bank had constituted the Audit Committee of the Board with 5 Members (including 2 RBI Additional Directors). All the Members of the Committee are non-executive Directors.

(i) Composition of the Committee as on March 31, 2026

- Ms. Vardhini Kalyanaraman, Chairperson of the Committee
- Sri G. Rajagopalan Nair, Member of the Committee
- Dr. Jineesh Nath C.K, Member of the Committee
- Sri C. Nageswara Rao, Member of the Committee
- Ms. Sujatha J, Member of the Committee

(ii) Terms of reference

1. Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to the Board the appointment, reappointment, and if required, the replacement or removal of the statutory auditor and the fixation of audit fee;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing with management the annual financial statements before submission to the Board for approval with particular reference to:
 - a) Matters required to be included in the Directors 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;
 - 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 adjustment made in the financial statement arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to the financial statements;
 - f) Disclosure of any related party transactions;
 - g) Qualifications in the draft audit report
5. Reviewing with the management the quarterly financial statements before submission to the board 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 utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditors independence and performance and effectiveness of audit process
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing the performance of the statutory and internal auditors and adequacy of the internal control system with the management;
13. Reviewing the adequacy of internal audit function if any including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors regarding any significant findings and follow-up thereon;

15. 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;
16. Discussion with statutory auditors before audit commences about the nature and scope of audit as well as post-audit discussions to ascertain any area of concern and following up all the issues brought out in the Long Form Audit Report (LFAR) and interacting with the Statutory Auditors before finalization of the annual financial accounts and reports;
17. Following up on all the issues / concerns raised in the Annual Financial Inspection (AFI) reports of Reserve Bank of India;
18. To look into the reasons for substantial defaults in the payments to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. To review the function of whistle blower mechanism in case the same exists;
20. Monitoring the end use of funds raised through public offers and related matters;
21. Recommending / approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
22. Reviewing the Risk Based Internal Audit (RBIA) / audit function – the system, its quality and effectiveness in terms of follow up;
23. Reviewing the RBIA reports of all branches (First Review) and final review of branches having High, Medium and above Risk level with "Increasing" trend;
24. Review of Revenue leakage detected in RBIA / Revenue / Concurrent Audit;
25. Focusing on the follow-up of:
 - a) Reconciliation of inter-branch adjustment accounts;
 - b) Long outstanding entries in inter-bank accounts and nostro accounts;
 - c) Arrears in balancing of books at various branches;
 - d) Frauds;
 - e) Other key areas of housekeeping
26. Reviewing half yearly reports from the Compliance Officers of the Bank;
27. Review of Concurrent Audit of Depository Department;
28. Review of dishonoured cheques of ₹ 1 Crore and above and cheques issued by broker entities;
29. Review of forex transactions;
30. Review of Concurrent audit of Integrated Treasury and branches (quarterly);
31. Summary of Risk Control Self-Assessment (RCSA) of functions/branches done together with open and closed issues;
32. Monthly review of the working of the Vigilance department;
33. Quarterly report on the activity of the Inspection department;
34. Review of the functioning of the meetings of Audit Committee of Executives;
35. Review of reports of inspection of Regional Offices;
36. Quarterly/Annual review of frauds

(iii) Number of Meetings during the year

The Committee met 10 times during the year on 09.05.2025, 04.06.2025, 21.07.2025, 19.08.2025, 16.10.2025, 29.10.2025, 23.12.2025, 21.01.2026, 16.02.2026 and 23.03.2026.

(iv) Details of attendance of each Director at the meetings

S. No.	Name of the Director	Number of Meetings	
		Held during the tenure	Attended
1	Ms. Vardhini Kalyanaraman	10	10
2	Sri G. Rajagopalan Nair	10	10
3	Dr. Jineesh Nath C. K	10	10
4	Sri C. Nageswara Rao, RBI Addl. Director	10	10
5	Ms. Sujatha J, RBI Addl. Director*	4	4
6	Sri D.K. Kashyap, RBI Addl. Director*	6	6

* Reserve Bank of India had appointed Ms. Sujatha J, General Manager, Reserve Bank of India as Additional Director on the Board of the Bank in accordance with the provisions of Section 36AB (1) of the Banking Regulation Act, 1949, in place of Sri D K Kashyap, for a period of two years from November 19, 2025 to November 18, 2027 or till further orders, whichever is earlier.

(B) Credit & Business Committee of Board**(i) Composition of the Committee as on March 31, 2026**

- Sri G. Rajagopalan Nair, Chairman of the Committee
- Sri Ajith Kumar K.K, Member of the Committee
- Sri P. Suriaraj, Member of the Committee
- Dr. Nirmala Padmanabhan, Member of the Committee
- Dr. Jineesh Nath C.K, Member of the Committee
- Sri Ashutosh Khajuria, Member of the Committee

(ii) Terms of reference

1. Consider for approval financial sanctions in individual accounts and group entities beyond the sanctioning powers of Corporate Credit Committee-1 and upto ₹100 Crore;
2. Consider recording of sanctions of Corporate Credit Committee-1;
3. Approve / review strategies / plans for business growth;
4. Review performance of regions / branches on key business parameters;
5. Review details of top 20 depositors;
6. Any other item as may be decided by the Board / Committee from time to time

(iii) Number of Meetings during the year

The Committee met 13 times on 19.04.2025, 08.05.2025, 29.05.2025, 18.06.2025, 21.07.2025, 14.08.2025, 19.09.2025, 27.10.2025, 28.11.2025, 17.12.2025, 27.01.2026, 24.02.2026 and 21.03.2026 during the year.

(iv) Details of attendance of each Director at the meetings

S. No.	Name of the Director	Number of Meetings	
		Held during the Tenure	Attended
1	Sri G. Rajagopalan Nair	13	13
2	Sri Ajith Kumar K.K	13	13
3	Sri P. Suriaraj	13	13
4	Dr. Nirmala Padmanabhan	13	13
5	Dr. Jineesh Nath C.K	13	13
6	Sri Ashutosh Khajuria (inducted to the Committee w.e.f. 09.05.2025)	11	11

(C) Nomination & Remuneration Committee**(i) Composition of the Committee as on March 31, 2026**

- Dr. Nirmala Padmanabhan, Chairperson of the Committee
- Sri K.N Madhusoodanan, Member of the Committee
- Sri G. Rajagopalan Nair, Member of the Committee
- Ms. Vardhini Kalyanaraman, Member of the Committee
- Dr. Jineesh Nath C.K, Member of the Committee
- Sri Ashutosh Khajuria, Member of the Committee

(ii) Terms of reference

1. Recommending to the Board for its consideration and approval on the size and composition of the Board taking into account the available and needed diversity and balance in terms of experience, knowledge, skills and judgment of the Directors;
2. Reviewing, from time to time, possible candidates for current and potential Board vacancies, including Directors who are to retire and are eligible for re-appointment or re-election and other persons who may be recommended by the Chairman or the MD&CEO or other Directors, shareholders or others;
3. Recommending to the Board, candidates for election (including reelection) or appointment (including reappointment) to the Board;

4. Carrying out evaluation of every Director's performance;
5. Deciding on the matter of whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
6. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal; formulation of the criteria for determining qualifications, positive attributes and Independence of a Director;
7. Devising a policy on diversity of Board of Directors;
8. Recommending to the Board a policy relating to the remuneration for the Directors, key managerial personnel and other employees;
9. Formulating and determining the Bank's policies on remuneration packages payable to the Directors and key managerial personnel including performance/achievement bonus perquisites, retires, sitting fees;
10. Considering grant of Stock Options to employees;
11. Reviewing the composition of the existing Committees of the Board;
12. Formulation of criteria for performance evaluation of independent directors and the Board;
13. Validation of "fit and proper" status of all Directors on the Board of the Bank in terms of the guidelines issued by the RBI or other regulatory authorities;
14. Developing and recommending to the Board the Corporate Governance guidelines applicable to the Bank for incorporating best practices from time to time

(iii) Number of Meetings during the year

The Committee met 8 times on 05.05.2025, 16.06.2025, 28.06.2025, 26.08.2025, 30.12.2025, 08.01.2026, 18.03.2026 and 27.03.2026 during the year.

(iv) Details of attendance of each Director at the meetings

S. No.	Name of the Director	Number of Meetings	
		Held During The Tenure	Attended
1	Dr. Nirmala Padmanabhan	8	8
2	Sri G. Rajagopalan Nair	8	8
3	Dr. Jineesh Nath C.K	8	7
4	Sri K.N Madhusoodanan (inducted to the Committee w.e.f. 09.05.2025)	7	7
5	Ms.Vardhini Kalyanaraman (inducted to the Committee w.e.f. 09.05.2025)	7	7
6	Sri.Ashutosh Khajuria (inducted to the Committee w.e.f. 09.05.2025)	7	7

(v) Performance Evaluation of Independent Directors

Pursuant to the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the performance evaluation of the Board as a whole, the individual Directors including independent Directors and various Committees of the Board are undertaken annually. The evaluation of the individual Directors is being done in the absence of the Director being evaluated.

The criteria for performance evaluation of independent Directors include, *inter-alia*, the following:

- Attendance at Board and various Committee meetings and General meetings of the Bank;
- Active/ constructive participation and contribution in Board and Committee meetings;
- Contribution to effective corporate governance and transparency in the Bank's operations;
- Regular updation of skills/ knowledge;
- Contributions towards the performance and strategies of the Bank;
- Ensuring independence from the Bank/ Management / other Directors;
- Adherence to the code of conduct for independent Directors and the terms and conditions in the letter of appointment;
- Assisting the Bank in protecting the interest of the Bank and all its stakeholders;

The Board also hereby confirms that the Independent Directors of the Bank fulfill the conditions specified in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time,

and are independent of the Management. Pursuant to the notification of the Ministry of Corporate Affairs dated October 22, 2019, an online data bank for the independent directors ("Data Bank") has been rolled out by the Indian Institute of Corporate Affairs. All the Independent Directors of the Bank have registered themselves in the Data Bank.

(D) Risk Management Committee of the Board

(i) Composition of the Committee as on March 31, 2026

- Sri Ashutosh Khajuria, Chairman of the Committee
- Sri Ajith Kumar K.K, Member of the Committee
- Sri G. Rajagopalan Nair, Member of the Committee
- Dr. Nirmala Padmanabhan, Member of the Committee
- Ms. Vardhini Kalyanaraman, Member of the Committee

(ii) Terms of reference

Review the risk management framework and risk appetite of the Bank, examine the adequacy and effectiveness of the risk management policy, and ensure appropriate / adequate reporting to the Board with recommendations where required by:

1. Overseeing the development and implementation of the risk management strategy and practices by the Bank and assess the effectiveness thereof;
2. Overseeing the implementation of Risk Management guidelines prescribed by the Reserve Bank of India;
3. Ensure that the Bank has an appropriate and effective mechanism to identify, measure, control and monitor all applicable risks on a timely basis and as accurately as feasible;
4. Call for appropriate data / information to confirm the risk assessments of the past or projections for the future including development of any key performance or risk tolerance indicators;
5. Ensure that the risk management policy in force is in tune with regulatory requirements, corporate governance standards, emerging new risks and industry best practices;
6. Review major breaches in policy;
7. Appraise uncovered / residual risks to the Board;
8. Assess the capacity of the Bank to withstand major 'shocks' , financial or otherwise, caused by market forces, regulatory directives, environment, any other external factors or internal upheavals;
9. Call for any studies, information, data or analyses in matters pertaining to management of risk from the officers of the Bank, issue orders for investigation on any risk related subject including constitution of any sub-committee for such purpose and seek the opinions or reports of independent experts/professionals where considered desirable or essential;
10. Review the reports of discussions of the Risk Management Committees of Executives including Asset Liability Management Committee (ALCO), Credit Risk Management Committee (CRMC), Operational Risk Management Committee (ORMC) and Risk Management Committee of Executives (RMCE);
11. Review of credit rating migration analysis done by the Bank;
12. Reviewing the quarterly reports on loss data collection;
13. Review of Country Risk Exposure of the Bank

(iii) Number of Meetings during the year

The Committee met 8 times during the year on 28.05.2025, 30.06.2025, 17.09.2025, 08.12.2025, 29.12.2025, 27.01.2026, 13.02.2026 and 21.03.2026.

(iv) Details of attendance of each Director at the meetings

S. No.	Name of the Director	Number of Meetings	
		Held During The Tenure	Attended
1	Sri Ashutosh Khajuria(inducted to the Committee w.e.f. 09.05.2025)	8	8
2	Sri Ajith Kumar K.K	8	8
3	Sri G. Rajagopalan Nair	8	8
4	Dr. Nirmala Padmanabhan	8	8
5	Ms. Vardhini Kalyanaraman,	8	7

(E) NPA Monitoring Committee

(i) Composition of the Committee as on March 31, 2026

- Dr. Jineesh Nath C.K, Chairman of the Committee
- Sri Ajith Kumar K.K, Member of the Committee
- Sri G. Rajagopalan Nair, Member of the Committee
- Sri Ashutosh Khajuria, Member of the Committee

(ii) Terms of reference

1. Overview of the NPA management in the Bank;
2. Review top SMA-1 / SMA-2 and NPA accounts and suggesting steps for recovery

(iii) Number of Meetings during the year

The Committee met 5 times during the year on 29.05.2025, 23.09.2025, 17.12.2025, 27.01.2026 and 23.03.2026.

(iv) Details of attendance of each Director at the meetings

S. No.	Name of the Director	Number of Meetings	
		Held During The Tenure	Attended
1	Dr. Jineesh Nath C. K	5	5
2	Sri Ajith Kumar K.K	5	5
3	Sri G. Rajagopalan Nair	5	5
4	Sri Ashutosh Khajuria (inducted to the Committee w.e.f. 09.05.2025)	5	5

(F) Special Committee of the Board for Monitoring and Follow-up of cases of Frauds (Previously known as Large Value Fraud Monitoring Committee)

(i) Composition of the Committee as on March 31, 2026

- Sri K.N Madhusoodanan, Chairman of the Committee
- Sri Ajith Kumar K.K, Member of the Committee
- Dr. Nirmla Padmanabhan, Member of the Committee
- Ms. Vardhini Kalyanaraman, Member of the Committee
- Sri Ashutosh Khajuria, Member of the Committee

(ii) Terms of reference

Monitor and review all the frauds of ₹1 Crore and above so as to:

1. Identify the systemic lacunae if any that facilitated perpetration of the fraud and put in place measures to plug the same;
2. Identify the reasons for delay in detection, if any, reporting to top management of the Bank and Reserve Bank of India;
3. Monitor progress of CBI/Police investigation and recovery position;
4. 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. Review the efficacy of the remedial action taken to prevent recurrence of frauds, such as strengthening of internal controls;
6. Put in place other measures as may be considered relevant to strengthen preventive measures against frauds

(iii) Number of Meetings during the year

The Committee met 4 times during the year on 30.06.2025, 29.09.2025, 30.12.2025 and 21.01.2026.

(iv) Details of attendance of each Director at the meetings

S. No.	Name of the Director	Number of Meetings	
		Held During The Tenure	Attended
1	Sri K.N Madhusoodanan	4	4
2	Sri Ajith Kumar K.K	4	4
3	Dr. Nirmala Padmanabhan	4	4
4	Ms. Vardhini Kalyanaraman	4	4
5	Sri Ashutosh Khajuria (inducted to the Committee w.e.f. 09.05.2025)	4	4

(G) Stakeholders' Relationship Committee**(i) Composition of the Committee as on March 31, 2026**

- Dr. Jineesh Nath C.K, Chairman of the Committee
- Sri Ajith Kumar K.K, Member of the Committee
- Sri P. Suriaraj, Member of the Committee
- Ms. Vardhini Kalyanaraman, Member of the Committee

(ii) Terms of reference

1. Monitor investor complaints/grievances;
2. Ensure quick redressal of investor complaints associated with transfer/ transmission of shares, non-receipt of Annual Reports, non-receipt of declared dividends and issued dividend warrants;
3. Consider and resolve the grievances of security holders of the Bank including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
4. Review measures taken for effective exercise of voting rights by shareholders;
5. Review adherence to the service standards adopted by the Bank in respect of various services being rendered by the Registrar & Share Transfer Agent;
6. Review various measures and initiatives taken by the Bank for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders

(iii) Number of Meetings during the year

The Committee met 1 time during the year on 23.03.2026.

(iv) Details of attendance of each Director at the meeting

S. No.	Name of the Director	Number of Meetings	
		Held During The Tenure	Attended
1	Dr. Jineesh Nath C. K	1	1
2	Sri Ajith Kumar K.K	1	1
3	Sri P. Suriaraj	1	1
4	Ms. Vardhini Kalyanaraman	1	1

(v) Number of investor complaints received and attended to by the Bank during the year

Sl. No.	Nature of complaint	No. of complaints pending as on 01.04.2025	No. of complaints received	No. of complaints resolved	No. of complaints pending as on 31.03.2026
1	Transfer related Complaints	0	0	0	0
2	Dividend related Complaints	0	0	0	0
3	Others	0	0	0	0
	Total	0	0	0	0

There are no investor complaints pending as on the date of this Report in SEBI Complaints Redress System (SCORES).

(H) Customer Service Committee of the Board

(i) Composition of the Committee as on March 31, 2026

- Sri K.N Madhusoodanan, Chairman of the Committee
- Sri Ajith Kumar K.K, Member of the Committee
- Sri P. Suriaraj, Member of the Committee
- Sri Ashutosh Khajuria, Member of the Committee

(ii) Terms of reference

1. Formulation of a comprehensive deposit policy;
2. Issues such as the treatment of death of a depositor for operations of his account;
3. Product approval process with a view to suitability and appropriateness;
4. Annual survey of depositor satisfaction;
5. Triennial audit of such services;
6. Monitor the progress in bringing about improvements in the quality of service provided to customers of the Bank;
7. Monitor periodically the customer service measures and new initiatives implemented by the Bank;
8. Review the implementation of guidelines and procedures prescribed by Reserve Bank of India that have a bearing on customer service of the Bank and make suitable recommendations;
9. Examine any other issues having a bearing on the quality of customer service rendered

(iii) Number of Meetings during the year

The Committee met 4 times during the year on 16.06.2025, 29.09.2025, 30.12.2025, and 24.03.2026.

(iv) Details of attendance of each Director at the meetings

S. No.	Name of the Director	Number of Meetings	
		Held During The Tenure	Attended
1	Sri K.N Madhusoodanan	4	4
2	Sri Ajith Kumar K.K	4	4
3	Sri P. Suriaraj	4	4
4	Sri Ashutosh Khajuria (inducted to the Committee w.e.f. 09.05.2025)	4	4

(I) Corporate Social Responsibility Committee

(i) Composition of the Committee as on March 31, 2026

- Dr. Nirmla Padmanabhan, Chairperson of the Committee
- Sri K.N Madhusoodanan, Member of the Committee
- Sri Ajith Kumar K.K, Member of the Committee
- Sri P. Suriaraj, Member of the Committee

(ii) Terms of reference

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Bank as specified in Schedule VII of the Companies Act, 2013;
2. Recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
3. Monitor the implementation of the Corporate Social Responsibility Policy;
4. Review the Corporate Social Responsibility Policy of the Bank from time to time

(iii) Number of Meetings during the year

The Committee met once during the year on 24.03.2026.

(iv) Details of attendance of each Director at the meeting

S. No.	Name of the Director	Number of Meetings	
		Held During The Tenure	Attended
1	Dr. Nirmala Padmanabhan	1	1
2	Sri Ajith Kumar K.K	1	1
3	Sri K.N Madhusoodanan	1	1
4	Sri P. Suriaraj	1	1

(J) Redressal Committee on Willful Defaulters & Review Committee on Non-cooperative Borrowers**(i) Composition of the Committee as on March 31, 2026**

- Sri Ajith Kumar K.K, Chairman of the Committee
- Sri K.N Madhusoodanan, Member of the Committee
- Sri P. Suriaraj, Member of the Committee
- Ms. Vardhini Kalyanaraman, Member of the Committee

(ii) Terms of reference

1. Review the willful defaulters, negotiate with them for settlement;
2. Review of the decision of Committee of higher functionaries to classify the borrower as non-cooperative borrower and confirm the same, as required

(iii) Number of Meetings during the year

The Committee did not meet during the year.

(K) HRD Committee**(i) Composition of the Committee as on March 31, 2026**

- Dr. Jineesh Nath C.K, Chairman of the Committee
- Sri Ajith Kumar K.K, Member of the Committee
- Sri G. Rajagopalan Nair, Member of the Committee
- Dr. Nirmala Padmanabhan, Member of the Committee
- Sri Ashutosh Khajuria, Member of the Committee

(ii) Terms of reference

1. Oversee the overall manpower planning of the Bank;
2. Approve budgets for HR planning and other HR related issues;
3. Recruitment for and promotions to Scale VI and above

(iii) Number of Meetings during the year

The Committee met 5 times during the year on 29.05.2025, 01.08.2025, 19.09.2025, 17.12.2025 and 18.02.2026.

(iv) Details of attendance of each Director at the meetings

S. No.	Name of the Director	Number of Meetings	
		Held During The Tenure	Attended
1	Dr. Jineesh Nath C. K	5	5
2	Sri Ajith Kumar K.K	5	5
3	Sri G. Rajagopalan Nair	5	5
4	Dr. Nirmala Padmanabhan	5	5
5	Sri Ashutosh Khajuria, (inducted to the Committee w.e.f. 09.05.2025)	5	5

(L) IT Strategy Committee of the Board

(i) Composition of the Committee as on March 31, 2026

- Sri G. Rajagopalan Nair, Chairman of the Committee
- Sri Ajith Kumar K.K, Member of the Committee
- Dr. Nirmala Padmanabhan, Member of the Committee
- Ms. Vardhini Kalayanaraman, Member of the Committee
- Dr. Jineesh Nath C.K, Member of the Committee

(ii) Terms of reference

1. Review IT Strategy and recommend necessary action / changes, if any, to the Board;
2. Review IT organizational structure, IT risks & controls, gap analysis of IT skills and resource augmentation and recommend necessary action to the Board;
3. Review the cyber security and preparedness of the Bank;
4. Review IT related budgets and recommend the same to the Board for approval;
5. Review the status of unmitigated, critical vulnerabilities, if any, for each department / division and review mitigation plans / vulnerability reports;
6. Recommend to the Board for purchase of any IT-related hardware / software;
7. Examine other IT-related issues in the Bank and recommend necessary action to the Board

(iii) Number of Meetings during the year

The Committee met 6 times during the year on 28.05.2025, 30.06.2025, 17.09.2025, 17.12.2025, 23.12.2025 and 18.03.2026.

(iv) Details of attendance of each Director at the meetings

S. No.	Name of the Director	Number of Meetings	
		Held During The Tenure	Attended
1	Sri G. Rajagopalan Nair	6	6
2	Sri Ajith Kumar K.K	6	6
3	Dr. Nirmala Padmanabhan	6	6
4	Ms. Vardhini Kalyanaraman	6	6
5	Dr. Jineesh Nath C.K(inducted to the Committee w.e.f. 09.05.2025)	6	6

3. SEPARATE MEETING OF INDEPENDENT DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of Independent Directors of the Bank was held on March 27, 2026. All the Independent Directors of the Bank attended the meeting.

The agenda for the meeting included:

- a) Reviewing the performance of non-independent directors and the Board as a whole;
- b) Review the performance of the Chairperson of the Bank, taking into account the views of executive and non-executive directors;
- c) Assess the quality, quantity and timeliness of flow of information between the Bank management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

4. SENIOR MANAGEMENT

The particulars of Senior Management of the Bank as on March 31, 2026 are as follows:

EMPLOYEE NAME	SCALE	POSITION
Sri John Varughese	General Manager	Head - IT & Digital Banking
Sri Santoy John	General Manager	Chief Compliance Officer
Sri Balasubramanian R	General Manager	Head - Treasury
Sri Santhosh Kumar R	General Manager	Chief Credit Officer

EMPLOYEE NAME	SCALE	POSITION
Sri Satheesan V	General Manager	Head – Internal Audit
Sri Rajan Sreeba	Deputy General Manager	Head- Human Resources
Sri Balasubramanian A. D	Deputy General Manager	Chief Vigilance Officer
Sri Abhilash R	Deputy General Manager	Chief Risk Officer
Ms. Kavitha T A	Deputy General Manager	Chief Financial Officer
Sri Bijukumar P H	Deputy General Manager	Head – Planning & Business Development (Assets)
Sri Ranjith P	Deputy General Manager	Chief Information Security Officer
Sri Venkatesh. H	Assistant General Manager	Company Secretary & Secretary to the Board

Changes in Senior Management during the financial year 2025-26 were as follows:

- Sri Satheesan V was appointed as Head - Internal Audit w.e.f. April 15, 2025. He was promoted to the Scale of General Manager w.e.f. May 09, 2025.
- Sri Ranjith P was promoted to the Scale of Deputy General Manager w.e.f. April 01, 2025.

Changes in Senior Management of the Bank during the FY 2026-27 from April 01, 2026 to the date of the report:

- Sri Krishnakumar. K took charge as the Chief Financial Officer of the Bank, in the grade of General Manager, w.e.f. July 10, 2026, in place of Ms. Kavitha T.A.
- Sri Gopalakrishnan V.N took charge as the Chief Vigilance Officer of the Bank, in the grade of General Manager, w.e.f. July 13, 2026 in place of Sri Balasubramanian A.D.
- The tenure of office of Sri Rajan Sreeba, Head – Human Resources has been extended for a period of two years w.e.f. August 11, 2026.

5. DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITIES

There are no agreements to be disclosed as per the provisions of clause 5A of paragraph A of Part A of Schedule III of the SEBI regulations.

6. REMUNERATION POLICY

(A) Remuneration Policy for Employees of the Bank

The Bank has a Board approved Compensation Policy which deals with the compensation & benefits of the Employees of the Bank and Whole-time Directors.

The objectives of the Compensation Policy of the Bank inter-alia includes, to provide a fair and persistent basis for motivating, inspiring and rewarding the employees appropriately, according to their jobs/role size, performance, accomplishments, contribution, skill, aptitude and competence to implement standards on sound compensation practices and incentives and to provide effective governance of compensation payable to the employees, alignment of compensation with prudent risk taking and effective supervisory oversight. The disclosure requirement of the remuneration is separately provided in "Disclosure under Basel III norms."

(B) Remuneration Policy for Directors

Remuneration of Executive Directors

The Board considers the recommendations of the Nomination & Remuneration Committee and approves the remuneration, with or without modifications, subject to regulatory approvals. The remuneration payable to MD & CEO / Whole-time Directors is subject to prior approval of the Reserve Bank of India (RBI). Therefore, the remuneration or any revision in remuneration to / MD & CEO / Whole-time Directors is payable only after receipt of the approval from RBI.

Remuneration of Non-Executive Directors (NEDs)

The NEDs are paid sitting fees for attending each meeting of the Board of Directors or any Committee thereof as approved by the Board, within the permissible limit prescribed under the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other regulatory guidelines, as amended from time to time. The Board while recommending any change in the sitting fees considers various factors like size and complexity of organization, comparison with the peer banks and regulatory guidelines as applicable. Apart from sitting fees, the Bank does not pay any other remuneration to the non-executive Directors.

Remuneration paid to Directors during the year ended March 31, 2026

1. Remuneration (including perquisites) of ₹89,06,000/- was paid to Sri Ajith Kumar K.K, Managing Director & CEO and ₹42,34,000/- was paid to Sri P. Suriaraj, Executive Director during the financial year 2025-26.
2. The sitting fees payable to a non-executive Director for attendance at a Board / Committee Meeting attended by him / her shall be such amount as may be fixed by the Board of Directors in accordance with the provisions of the Companies Act, 2013, the Banking Regulation Act, 1949, RBI guidelines and other applicable rules and regulations. The sitting fees for attending the Meeting of each Board and each Committee is ₹40000/- ₹30000/- respectively. The total sitting fee paid by the Bank during the financial year 2025-26 was as follows:

S. No.	Name of Director	Total Amount of Sitting Fees paid during the year ended March 31, 2026 (₹)
1	Sri K.N Madhusoodanan	1070000
2	Sri G. Rajagopalan Nair	2240000
3	Dr. Nirmala Padmnabhan	1940000
4	Ms. Vardhini Kalyanaraman	1600000
5	Dr. Jineesh Nath C. K	1970000
6	Sri Ashutosh Khajuria	1910000
Total		10730000

The Remuneration Policy of the Bank is hosted on the website of the Bank <https://www.dhan.bank.in/pdf/Nomination-and-Remuneration-Policy-8.0.pdf>.

7. INFORMATION ON DIRECTOR PROPOSED TO BE APPOINTED / RE-APPOINTED AT THE 99th ANNUAL GENERAL MEETING (REGULATION 36 (3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

(i) DR. JINEESH NATH C.K

Date of Birth and age	December 19, 1985; 40 years
Qualifications	Post graduate Doctor
Brief Resume, Experience and Nature of expertise in specific functional areas	Dr. Jineesh Nath C.K is a Post graduate doctor. He is a Director of CKG Finance Private Limited and Chittilangattkalam Holdings Private Limited. He is also a Major shareholder of the Bank and holds 29593200 shares of the Bank (7.49% of the total paid-up share capital of the Bank) as on date.
Terms and conditions of appointment / re-appointment along with details of remuneration	Dr. Jineesh Nath C.K will be entitled to sitting fees for attending Board / Committee Meetings.
Details of Remuneration last drawn	19,70000/- (i.e., sitting fee paid in the financial year 2025-26)
Date of first appointment on Board	July 31, 2024
Shareholding in the Bank as on the date of this Report	29593200 shares of the Bank (7.49% of the total paid-up share capital of the Bank)
Relationship with other Directors, Manager and Key Managerial Personnel of the Bank	Nil
Number of Board Meetings attended during 2025-26	14
Chairman / Member of Committees of Board of Directors of the Bank as on the date of this Notice	Chairman • HRD Committee • NPA Monitoring Committee • Stakeholders' Relationship Committee Member • Audit Committee of the Board • Credit & Business Committee of Board • IT Strategy Committee of the Board • Nomination & Remuneration Committee
Directorship in other entities	C.K.G Finance Private Limited Chittilangatt Kalam Holdings Private Limited
Membership / Chairmanship of Committees of Boards of other listed companies as on the date of this Notice	Nil

(ii) Sri RAJAN T.K

Date of Birth and age	May 16, 1965; 61 years
Qualifications	B. Tech, MBA, CFA (ICFAI), CAIIB
Brief Resume, Experience and Nature of expertise in specific functional areas	Sri Rajan T.K is a seasoned finance professional with over 34 years of service with the Reserve Bank of India (RBI) and had retired from RBI as Chief General Manager in-charge of Supervision of banking sector. He was also the Chief General Manager, Cyber and IT Risk Group, Department of Supervision of RBI and was involved in setting up the unit responsible for regulation and supervision of cyber and IT risks in the banking sector, introduction of major regulations for the sector in cyber and IT risk areas, rolling out of various supervisory tools viz., IT Examinations, off-site assessment framework, incident reporting, cyber reconnaissance, automation of supervisory processes in RBI through introduction of DAKSH (a Web based application of RBI). He headed the RBI's functions relating to Public Debt Management and Foreign Exchange Reserve Management. He had led RBI in national committees involving various stake holders to deal with cyber and IT risks and had represented RBI in the Financial Stability Board in major initiatives relating to cyber risks and had also represented RBI as a resource speaker/panelist in IMF, BIS and Foreign Central Bank meetings/ workshops. He was a member of the Basel Consultative Group (BCG) and a member of the Board of Reserve Bank Information Technology Pvt. Ltd. (ReBIT). He had also represented RBI in the Board of two private sector banks, including Dhanlaxmi Bank Limited. He has extensive experience in off-site and on-site supervision of commercial banks. Presently, he is full-time consultant of College of Supervisors, Reserve Bank of India.
Terms and conditions of appointment / re-appointment along with details of remuneration	Sri Rajan T.K will be entitled to sitting fees for attending Board / Committee Meetings.
Details of Remuneration last drawn	Nil (appointed in the Meeting of the Board of Directors of the Bank held on July 29, 2026 and the appointment to be effective from July 29, 2026)
Date of first appointment on Board	July 29, 2026
Shareholding in the Bank as on the date of this Report	Nil
Relationship with other Directors, Manager and Key Managerial Personnel of the Bank	Nil
Number of Board Meetings attended during 2025-26	Nil (appointed on the Board of the Bank on July 29, 2026)
Chairman / Member of Committees of Board of Directors of the Bank as on the date of this Notice	Nil
Directorship in other entities	Nil
Membership / Chairmanship of Committees of Boards of other listed companies as on the date of this Notice	Nil

(iii) Sri T.V RAO

Date of Birth and age	August 04, 1965; 61 years
Qualifications	MBA
Brief Resume, Experience and Nature of expertise in specific functional areas	Mr. T.V Rao has been a career Central Banker with over 35 years of service in the Reserve Bank of India (RBI) with experience in regulation and supervision of Banks and NBFCs, regulatory compliance, governance, payment systems, foreign exchange facilitation through Authorized Persons under the FEMA, 1999, financial inclusion, customer complaint resolution, etc. He had also represented RBI in the Board of a Grameen Bank for over 2 years. He retired as Chief General Manager in RBI. He has experience in formulation of policy of financial inclusion as well as exposure to RBI Data Warehouse where payment systems are operated. He also has experience in administrative processes, human resources management, etc., in RBI.
Terms and conditions of appointment / re-appointment along with details of remuneration	Sri T.V Rao will be entitled to sitting fees for attending Board / Committee Meetings.
Details of Remuneration last drawn	Nil (appointed in the Meeting of the Board of Directors of the Bank held on August 08, 2026 and the appointment to be effective from September 01, 2026)
Date of first appointment on Board	September 01, 2026
Shareholding in the Bank as on the date of this Report	Nil
Relationship with other Directors, Manager and Key Managerial Personnel of the Bank	Nil
Number of Board Meetings attended during 2025-26	Nil (appointed in the Meeting of the Board of Directors of the Bank held on August 08, 2026 and the appointment to be effective from September 01, 2026)
Chairman / Member of Committees of Board of Directors of the Bank as on the date of this Notice	Nil
Directorship in other entities	Nil
Membership / Chairmanship of Committees of Boards of other listed companies as on the date of this Notice	Nil

8. DETAILS OF LAST THREE ANNUAL GENERAL MEETINGS

Name of Meeting	Day, Date & Time	Venue	Special Resolutions passed at the Meeting	Additional Remarks
98 th Annual General Meeting	Monday, 29.09.2025, 11.00 AM	Through Video Conferencing	No Special Resolutions were included in the Notice of the Meeting	Nil
97 th Annual General Meeting	Monday, 30.09.2024, 11.00A.M	Through Video Conferencing	No Special Resolutions were included in the Notice of the Meeting	Nil
96 th Annual General Meeting	Saturday, 30.09.2023, 11.00A.M	Through Video Conferencing	1. To approve the Alteration of Articles of Association of the Bank 2. To Increase the Authorised Share Capital and consequent alteration to the Memorandum of Association & Articles of Association of the Bank	Nil

9. DETAILS OF EXTRA-ORDINARY GENERAL MEETINGS HELD DURING FY 2025-26

No ExtraOrdinary General Meeting was held during the FY 202526.

10. POSTAL BALLOT

During the financial year 2025-26, the following special resolution was passed through postal ballot:

1. Approval for appointment of Sri Ashutosh Khajuria (DIN :05154975) as Independent Director of the Bank

In compliance with the provisions of Section 108 and Section 110 and other applicable provisions of the Act read with the relevant Rules, for the postal ballot conducted during the FY 2025-26, the Bank had provided remote e-voting facility to all the Members. The Bank engaged the services of M/s. KFin Technologies Limited, Registrar and Share Transfer Agents (RTA) of the Bank for facilitating e-voting to enable the Members to cast their votes electronically. The Board of Directors had appointed Mr. V. Suresh, Senior Partner, M/s. V. Suresh Associates, Practising Company Secretaries (FCS 2969/ CP 6032), to act as the Scrutinizer for the Postal Ballot process.

The details of the postal ballot are as below:

Pursuant to the provisions of Section 110 of the Act read with Rule 22 of Companies (Management and Administration) Rules, 2014 (Management Rules), as amended, the Bank had issued Postal Ballot Notice dated May 09, 2025 to the Members, seeking their consent for a Special Resolution for the appointment Of Sri Ashutosh Khajuria (DIN: 05154975) as Independent Director of the Bank.

The voting period commenced on Sunday, May 18, 2025 at 9:00 AM (IST) and ended on Monday, June 16, 2025 at 5:00 PM (IST). The cut-off date for the purpose of determining the number of Members was Friday, May 09, 2025 and the total number of Members as on cut-off date was 186718.

On Monday, June 16, 2025 at 5:00 PM (IST) the votes cast by the Shareholders through e-voting were unblocked in the presence of two witnesses not in the employment of the Bank by the Scrutinizer. Thereafter, the Scrutinizer's Report on the postal ballot voting was submitted to the Chairperson through the Company Secretary on June 16, 2025. The results of the voting through Postal Ballot by remote e-voting were as follows:

(i) Voted in favour of the resolution:

Number of Members voted	Number of votes cast by them	% of total number of valid votes cast
431	15,86,10,414	99.98

(ii) Voted against the resolution:

Number of Members voted	Number of votes cast by them	% of total number of valid votes cast
42	24,954	0.02

(iii) Abstained votes:

Total number of abstained members	Number of votes
15	11,248

Accordingly, out of 15,86,35,368 valid votes cast through e-voting, 15,86,10,414 votes, constituting 99.98% of the votes polled, were cast assenting to the Special Resolution and 24,954 votes constituting 0.02% of the votes polled, were cast dissenting to the Special Resolution.

The special resolution set out in the said Postal Ballot Notice was therefore approved by the Members with requisite majority. The resolution was deemed to be passed on the last date specified for e-voting i.e., Monday, June 16, 2025.

The voting results were immediately placed to the Board of Directors of the Bank and disseminated to the Stock Exchanges and on the websites of the Bank as well as M/s. KFin Technologies Limited as per the regulatory provisions. The procedure undertaken for aforesaid postal ballot was in accordance with the applicable laws and regulations.

As on the date of this Report, there is no proposal before the Bank which may require the approval of Shareholders through Postal Ballot. The Bank may consider passing resolutions including special resolutions through Postal Ballot as and when required.

11. CAPITAL MARKET ACTIVITIES DURING FY 2025-26

Issue of Tier II Bonds

Pursuant to the approval accorded by the shareholders of the Bank at the Extraordinary General Meeting (EGM) held on March 18, 2025, the Bank issued and allotted 150 redeemable, non-convertible unsecured debentures (Basel III compliant Tier II Bonds) (ISIN: INE680A08099) aggregating to ₹150 Crore on private placement basis. The proceeds of the issue will be utilized by the Bank for its regular business activities and for augmenting Tier 2 Capital and over all capital for strengthening its capital adequacy and for enhancing its long-term resources.

The Summary, Schedule and Terms of the Issue were as follows:

Face Value per Bond	₹1 Crore
Coupon Rate	10.50% p.a.
Tenure of Bonds	10 years
Date of Allotment	April 7, 2025
Maturity Date	April 6, 2035 (with a call option exercisable at the option of the Bank on the end of 5 years from the date of allotment)
Interest Schedule	Annually on April 07 every year
Listing/Trading Approval Received on	April 10, 2025 (NSE India Limited)
Trustees to the Issue	Axis Trustee Services Limited, Mumbai
Registrar to the Issue	KFIN Technologies Limited, Hyderabad
Credit Rating Agency for the Debentures	ICRA Limited

12. DISCLOSURES

(A) MD & CEO / CFO Certification

The Managing Director & CEO and the Chief Financial Officer have issued certificate pursuant to the provisions of Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Bank's affairs. The said certificate is annexed and forms part of the Annual Report.

(B) Related Party Transactions

The Bank has adopted the "Policy on materiality of related party transactions and dealing with related party transactions" in accordance with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy is hosted on the website of the Bank at <https://www.dhan.bank.in/pdf/Policy-Materiality-Related-Party-Transactions-Dealing-Related-Party-Transactions-8.0.pdf>.

During the financial year, the Bank did not enter into any related party transactions with its Directors or Key Managerial Personnel or their Relatives that would potentially conflict with and/ or adversely affect the interests of the Bank. In accordance with the circular issued by Reserve Bank of India on "Disclosure in Financial Statements – 'Notes to Accounts' dated July1, 2015 – Para 4.5 Accounting Standard 18 – Related Party Disclosures", the remuneration paid to Managing Director & CEO and the Executive Director alone qualifies for classification as Related Party Transaction, for which the Bank has taken due approvals of the Reserve Bank of India and the Shareholders of the Bank. However, in accordance with the provisions of Regulation 23 (9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the remuneration paid to Managing Director & CEO and the Executive Director does not fall within the purview of Related Party Transactions. Further, there was no related party transaction for which Form AOC-2 was applicable.

(C) Disclosure of Accounting Treatment

In the preparation of financial statements for the year ended March 31, 2026, there has been no treatment different from that prescribed in the Accounting Standard that is being followed in the preceding financial year ended March 31, 2025.

(D) Internal Control Systems

Insider Trading Code

The Bank has adopted a "Code of Conduct to Regulate, Monitor and Report Trading by Insiders" and "Code of practices and procedures of Unpublished Price sensitive Information" in accordance with the requirements of Securities and Exchange Board

of India (Prohibition of Insider Trading) Regulations, 2015, Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and Companies Act, 2013 with a view to regulate trading in securities by the Directors and designated employees of the Bank. The Code requires pre-clearance for dealing in the Bank's shares beyond threshold limits. Further, it prohibits the purchase or sale of Bank shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Bank and during the period when the Trading Window is closed. The Directors and designated employees of the Bank have affirmed compliance with the Codes. The Codes are hosted on the website of the Bank at <https://www.dhan.bank.in/pdf/code-regulate-monitor-report-trading-insiders-8.0.pdf> and <https://www.dhan.bank.in/pdf/Code-of-Practices-and-procedures-for-fair-disclosure-of-UPSI-8.0.pdf>.

Code of Conduct

The Board of Directors has framed the "Code of Conduct for Directors and Senior Management", as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Corporate Governance. The confirmation from the Managing Director & CEO regarding compliance with the Code by all the Directors and Senior Management forms part of the Report. The Code is hosted on the website of the Bank at <https://www.dhan.bank.in/pdf/Corp-Gov-code-of-conduct-Direct-Senior-Management-8.0.pdf>.

Whistle Blower Policy

The Bank has formulated a Whistle Blower Policy with a view to provide a mechanism for any person/employees of the Bank to report to the Chief Vigilance Officer/ Chairman of the Audit Committee of the Board (ACB), in case they observe any unethical and improper practices or any other alleged wrongful conduct in the Bank. The Bank will keep the identity of the complainant/customer/other person (whistle blower) secret. All the disclosures reported under this policy will be thoroughly investigated by the Chief Vigilance Officer/ Chairman of the Audit Committee of the Board. The investigation is to be normally completed within 180 days of receipt of the protected disclosure. The Policy is hosted on the website of the Bank at <https://www.dhan.bank.in/pdf/Whistle-Blower-Policy-Version-8.0-2025.pdf>. It is affirmed that no personnel have been denied access to the Audit Committee.

Familiarization Programmes

The Bank conducts various sessions to familiarize Directors, including independent Directors, with their roles, rights, responsibilities in the Bank, nature of the banking industry, business position of the Bank, business model, risk management system and technology architecture of the Bank. The following training programs were attended by the Members of the Bank's Board:

- A two-day training programme on Certification Programme for IT and Cyber Security for the Directors organized by the Institute for Development and Research in Banking Technology (IDRBT) on 19.02.2026 and 20.02.2026.
- A two-day training programme covering the topics of Corporate Governance vis-à-vis Liabilities, Corporate Sustainability - ESG & Resilience, Transformative Technologies- Risks and Opportunities, Internal Audit- A Critical Player in Organisational Governance, Enterprise Risk Management and Strategic Leadership of Corporate Boards - Maximizing Effectiveness and Accountability organized by the Institute of Directors on 10.03.2026 and 11.03.2026.

The details of familiarization programmes are displayed on the website of the Bank at https://www.dhan.bank.in/pdf/trainingprograms_directors-25-26.pdf.

Information supplied to the Board

The Board is regularly presented with all information under the following heads, in accordance with the provisions of Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Banking Regulation Act, 1949, RBI guidelines and other statutory provisions, whenever applicable and materially significant. These are submitted either as a part of the agenda papers well in advance of the Board/Committee Meetings or are tabled in course of the Board/Committee Meetings.

Besides, all periodical returns and statements as prescribed by RBI are placed before the Board. All the policy documents relating to different aspects of Bank's functioning are also placed before the Board for their approval.

Among others, the following information is also furnished to the Board:

1. Review of annual operating plans of business, capital budgets, updates;
2. Quarterly results of the Bank and its operating divisions or business segments;
3. Minutes of meetings of Audit Committee and all other Committees;
4. Any materially relevant default in financial obligations to and by the Bank;

5. Significant developments in human resources and industrial relations fronts;
6. Non-compliance of any regulatory or statutory provision or listing requirements as well as shareholder services such as non-payment of dividend and delays in share transfer;
7. Materially important show cause, demand, prosecution and penalty notices

The Bank has adhered to all the mandatory requirements of Corporate Governance norms as prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable to the Bank.

(E) Utilization of funds raised through Preferential Allotment or Qualified Institutions Placement

During the FY 2025-26, no funds were raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of Listing Regulations.

(F) Recommendations of Committee(s) of the Board of Directors

During the FY 2025-26, all recommendations of Committee(s) of the Board of Directors, which are mandatorily required, were accepted by the Board.

(G) Strictures and Penalties

During the year, BSE imposed a fine of ₹75,000 plus applicable GST and NSE imposed a fine of ₹24,000 plus applicable GST respectively for delay in filing the half yearly disclosure with respect to related party transactions and for delay in filing the statement indicating the utilization of proceeds of nonconvertible securities. Apart from the above, no other penalties or strictures were imposed on the Bank by the Stock Exchanges, SEBI, or any other statutory authorities on matters relating to the capital market. Further, there were no significant or material orders passed by regulators, courts, or tribunals impacting the going concern status of the Bank or its future operations.

(H) Fees paid to Statutory Auditors

A total fee of ₹ 50,00,000 (Rupees Fifty Lakh only) plus applicable taxes was paid to the present Statutory Central Auditors M/s Sagar & Associates and M/s. Abraham & Jose for Audit, Certification, Quarterly Review and Tax Audit for the FY 2025-26. The travelling and out-of-pocket expenses related to the audit/review were additionally reimbursed on actual basis.

(I) Credit Ratings

During the FY 2025-26, the Bank had outstanding debt instruments (Lower Tier-II Bonds) of ₹150 Crore which were allotted on 07.04.2025. The credit ratings on the said debt instruments of the Bank were reaffirmed as ICRA BBB - (Outlook: Stable) by ICRA Limited.

Further, ICRA Limited has assigned ratings of BBB- (Stable) and A3 respectively for the Fixed Deposits and Certificates of Deposit of the Bank.

(J) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Foreign Exchange Risk arising out of Forex positions of the Bank is monitored by the Treasury Mid Office, which is part of Integrated Risk Management Department (IRMD). Various risk limits such as Daylight Limit, NOOPL, AGL and Forex VAR are defined in the Market Risk Management Policy of the Bank and are closely monitored by IRMD. The Treasury Management Policy of the Bank with respect to Investment, Forex and Derivative operations lays out the operative guidelines for Foreign Exchange operations. The Foreign Currency Assets and Liability gap is ascertained by Treasury Department and is managed using hedging tools such as swaps, wherever found necessary. The Bank is not involved in Commodity Price Risk hedging activities.

(K) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Bank has zero tolerance approach towards any action on the part of any executive / employee which may fall under the ambit of "Sexual Harassment" at work place, and is fully committed to uphold and maintain the dignity of woman staff working in the Bank. The policy provides for protection against sexual harassment of women at work place, prevention and redressal of such complaints. All the employees (permanent, contractual, temporary, trainees) are covered under this policy. The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Number of complaints pending at the beginning of the financial year - 0

Number of complaints filed during the financial year - 0

Number of complaints pending at the end of the financial year - 0

(L) Subsidiary Companies

The Bank does not have any subsidiary companies and therefore disclosures w.r.t 'material' subsidiary are not applicable.

13. MEANS OF COMMUNICATION

The unaudited/audited quarterly/half yearly/annual financial results of the Bank are forwarded to the BSE Ltd. and National Stock Exchange of India Ltd. immediately after the Board meeting. The same were also published in leading national and vernacular newspapers. The results, Annual Report and Notice of Annual General Meeting are displayed on the Bank's website at <https://www.dhan.bank.in/statutory-reports> under the heads "Financial Results", "Annual Reports" and "99th Annual General Meeting" respectively.

Documents like Notices, Annual Report etc. are sent to the shareholders at their email address, as registered with their Depository Participants/ Bank/ Registrar and Transfer Agent (RTA). This helps in prompt delivery of document, reduce paper consumption and avoid loss of documents in transit. Members who have not yet registered their email id (including those who wish to change their already registered email id) may get the same registered/updated either with their depositories or by writing to the Bank/ RTA.

The Bank has disclosed on its website all information as required under Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and other applicable rules and regulations.

All compliances like Financial Results, Shareholding Pattern and Corporate Governance Report, etc. are filed electronically on NEAPS/ BSE Listing centre, which are the platforms provided by NSE and BSE for online filing of information.

Further, the Securities Exchange Board of India (SEBI) has the SEBI Online Complaints Redressal System (SCORES) to process investor complaints online in a centralized manner. Through this system a shareholder can lodge an investor related complaint against a Company. The Company uploads the action taken on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SCORES. The new version of the same, SCORES 2.0, was launched in April 01, 2024. This strives to strengthen the investor complaint redress mechanism in the securities market by making the process more efficient through auto-routing, auto-escalation, monitoring by the Designated Bodies, reducing the timelines and making it more user-friendly.

SEBI has vide Master Circular No. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated July 31, 2023 also introduced a common Online Dispute Resolution Portal (ODR Portal) that facilitates online conciliation and arbitration for resolving disputes arising in the Indian securities market. The framework encompasses various stakeholders, including Recognized Stock Exchanges, Clearing Corporations, Depositories, Stock Brokers, Depository Participants, Listed Companies, and SEBI Registered Intermediaries. The same is made available in the Bank's website at <https://www.dhan.bank.in/investor-relations-contacts/>

14. GENERAL SHAREHOLDER INFORMATION

99th Annual General Meeting	Date	September 23, 2026 (Wednesday)
	Time	11.00 A.M (IST)
	Venue	Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")
Name and other details regarding Compliance Officer	Sri Venkatesh .H	
	Company Secretary & Secretary to the Board	
	Dhanlaxmi Bank Ltd.	
	Dhanalakshmi Buildings, Naickanal, Thrissur – 680001	
	Phone: 0487-2999711	
	Fax: 0487-2335367	
	E-mail: investors@dhanbank.co.in	
Financial Year	2025-26	
Date of Book Closure	September 18, 2026 (Friday) to September 23, 2026 (Wednesday) (both days inclusive)	
Dividend Payment Date	Not Applicable	
Listing on Stock Exchanges	The equity shares of the Bank are listed on - 1. BSE Ltd. 2. National Stock Exchange of India Ltd.	
Stock Code – Equity Shares	1. BSE Ltd. - 532180 2. National Stock Exchange of India Ltd. - DHANBANK	

Registrar and Transfer Agents (RTA)	KFIN Technologies Limited Registered Address: 301, The Centrium, 3rd Floor, 57, Lal Bahadur Shastri Road, Nav Pada, Kurla (West), Mumbai, 400 070, Maharashtra CIN: L72400MH2017PLC444072 Address for Correspondence / Operations Centre: Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana, India - 500 032 Contact Person: Mr. S R Ramesh, Deputy Vice President - Corporate Registry Email ID: einward.ris@kfintech.com Toll Free / Phone Number: 1800 309 4001 WhatsApp Number: (91) 910 009 4099 Investor Support Centre: https://kprism.kfintech.com/ KFINTECH Corporate Website: https://www.kfintech.com RTA Website: https://ris.kfintech.com KPRISM (Mobile Application): https://kprism.kfintech.com/signup RTA Search: https://www.registrarsassociation.com/search
Registered Office and Address for Correspondence	Dhanlaxmi Bank Ltd., P.B.No.9, Dhanalakshmi Buildings, Naickanal, Thrissur-680 001
Corporate Office	Dhanlaxmi Bank Ltd., Punkunnam, Thrissur-680 002
Corporate Identity Number (CIN)	L65191KL1927PLC000307

15. LISTING OF THE BANK'S EQUITY SHARES

(A) The Bank's shares are listed on the following Stock Exchanges in India and their Stock Codes are as under:

1. The National Stock Exchange of India Ltd.

Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051
Tel No: (022) 26598100 - 8114, Fax No: (022) 26598120

2. The BSE Ltd.

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001
Tel No: (022) 22721233/4, Fax: (022) 22721919

The Bank confirms that it has paid the listing fees to the Stock Exchanges for the financial year 2026-27.

The Lower Tier-II bonds of ₹150 Crore issued by the Bank on April 07, 2025 are listed on the National Stock Exchange of India Ltd. The contact details of the Trustees for the bonds are given below:

Axis Trustee Services Limited
Axis House, P B Marg,
Worli, Prabhadevi
Mumbai – 400025
Maharashtra
Phone: 022-6230 0451, 022-6226 0050/54

(B) Distribution of shareholding as on March 31, 2026

Category (No. of Shares)	Cases	% of cases	Shares	% of Shares
1-5000	1,37,198	78.067849	1,80,78,613	4.580356
5001-10000	17,410	9.906568	1,40,51,720	3.560112
10001-20000	10,211	5.810222	1,55,48,392	3.939305
20001-30000	3,648	2.075770	92,48,004	2.343053
30001-40000	1,886	1.073164	67,34,042	1.706122
40001-50000	1,461	0.831332	68,92,299	1.746217
50001-100000	2,096	1.192657	1,54,54,523	3.915523
100001 & above	1,832	1.042437	30,86,91,258	78.20931
Total	1,75,742	100.00	39,46,98,851	100.00

(C) Category – wise distribution of shareholding as on March 31, 2026

Category	No. of Holders	Total Shares	% to Equity
RESIDENT INDIVIDUALS	1,71,833	16,48,73,869	41.772067
FOREIGN PORTFOLIO - CORP	31	6,08,61,364	15.419696
BODIES CORPORATES	409	6,02,81,014	15.272660
NON-RESIDENT INDIAN NON REPATRIABLE	796	4,08,92,250	10.360367
DIRECTORS	3	3,23,83,364	8.204575
NON-RESIDENT INDIAN REPATRIABLE	900	2,89,92,447	7.345460
H U F	1,757	48,50,509	1.228914
IEPF AUTHORITY	1	13,36,093	0.338509
INSURANCE COMPANIES	1	1,80,986	0.045854
TRUSTS	3	26,300	0.006663
UNCLAIMED SHARES SUSPENSE ACCOUNT	2	10,740	0.002721
NBFC	2	5,300	0.001343
KEY MANAGEMENT PERSONNEL	1	4,609	0.001168
CLEARING MEMBERS	1	4	0.000001
ALTERNATIVE INVESTMENT FUND	2	2	0.000001
Total	175742	394698851	100.00

(D) Share Transfer System & Dematerialisation of Shares and Liquidity & General Information to Shareholders

The Equity shares of the Bank have been allotted International Securities Identification Number (ISIN) INE 680A01011. As on March 31, 2026, 18,54,135 shares constituting 0.47% of the paid-up capital and 39,28,44,716 shares constituting 99.53% of the paid-up capital were held in physical and electronic mode respectively.

As per SEBI directives, the trading of the Bank's shares is to be compulsorily done in dematerialised form. The Bank has also brought to the notice of all the shareholders the amendments in SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 stipulating transfer of securities in dematerialised form only with effect from April 1, 2019. As per SEBI circular nos. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 and SEBI/HO/MIRSD/MIRSD_PoD_1/PCIR/2023/37 dated March 16, 2023, the Bank has sent notices to all the Shareholders holding shares in the physical form for updating their KYC and other mandatory details in their respective folios. The KYC forms are also updated on the website of the Bank.

The Bank had appointed M/s. KFin Technologies Limited as its Registrar & Share Transfer Agents (RTA) and accordingly, processing of share transfer/dematerialisation/ rematerialisation and allied activities were being done by them.

The Bank's equity shares which are in compulsory dematerialized form are transferable through the depository system. Shares in physical form are processed by the RTA and approved by the Stakeholders' Relationship Committee of the Bank. Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with effect from April 1, 2019, 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 dematerialized form with a depository. All share transfers are completed within statutory time limit from the date of receipt, provided the documents meet the stipulated requirement of statutory provisions in all respects.

An independent firm of Practicing Company Secretary carries out the Reconciliation of Share Capital Audit as mandated by SEBI, and reports on the reconciliation of total issued and listed Capital with that of total share capital admitted / held in dematerialized form with NSDL and CDSL and those held in physical form. This audit is carried out on quarterly basis and the report thereof is submitted to the Stock Exchanges, where the Bank's shares are listed.

In compliance with SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 for Registrars to an Issue and Share Transfer Agents, Section V – Investor's Service Request, Para 19 on Common and Simplified Norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination, and read with SEBI Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023, it shall be mandatory for all holders of physical securities in listed companies to furnish PAN, Nomination, Contact details, Bank A/c details and Specimen signature for their corresponding folio numbers. Therefore shareholders are requested to Mandatorily furnish (a) PAN and KYC details, (b) Nomination (Either Nomination through Form SH-13 or cancellation or variation in nomination through Form SH-14 as provided in the Rules 19 of Companies (Shares capital and debenture) Rules, 2014 or 'Declaration to Opt-out', as per Form ISR-3), (c) Contact details: Postal address with PIN, Mobile number, E-mail address (d) Bank account details (bank name and branch, bank account number, IFS code) (e)

The formats for Nomination and updation of KYC details in accordance with the SEBI Circular are available on the website of the RTA (<https://ris.kfintech.com/clientservices/isc/isforms.aspx>) and in Bank's website <https://www.dhan.bank.in/statutory-reports/> in the section "Investor Service Request Forms".

Members are hereby notified that our RTA , KFin Technologies Limited (Formerly known as KFin Technologies Private Limited), basis the SEBI Circular (SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/72) dated Jun 08, 2023, have launched an online application which can be accessed at <https://ris.kfintech.com> > Investor Services > Investor Support.

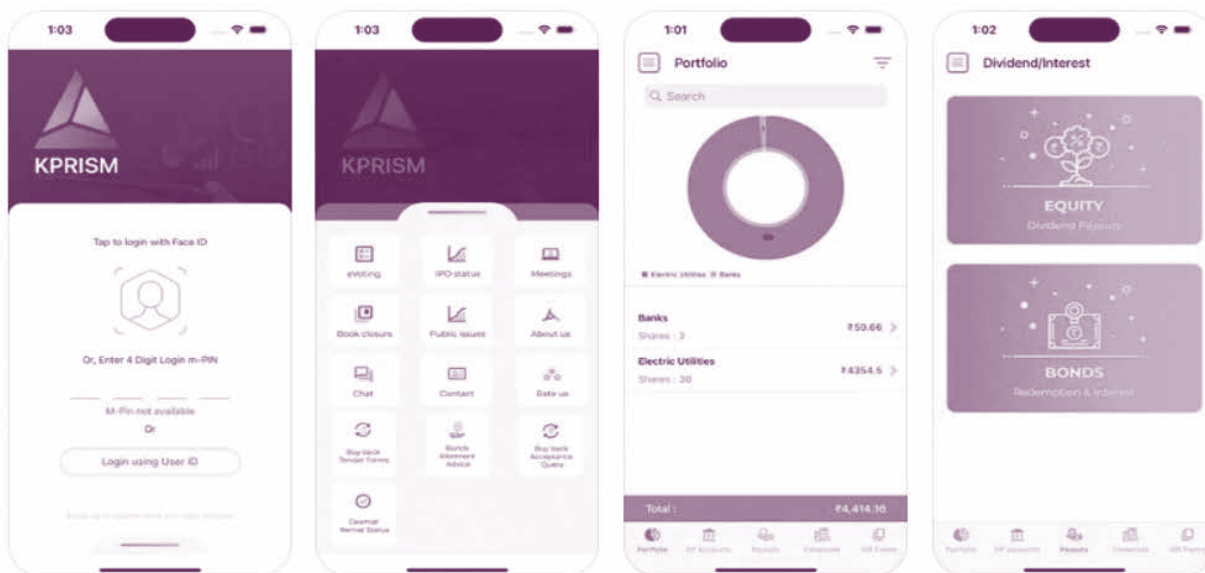
Quick link to access the signup page: <https://kprism.kfintech.com/signup>

As part of the initiative, our RTA, in order to enhance the investor experience for Senior Citizens, a Senior Citizens investor cell has been newly formed to assist exclusively the Senior Citizens in redressing their grievances, complaints and queries. The special cell closely monitors the complaints coming from Senior Citizens through this channel and handholds them at every stage of the service request till closure of the grievance.

1. ID proof showing Date of Birth
2. Folio Number
3. Company Name
4. Nature of Grievance

KPRISM Mobile App:

Mobile applications for all users to review their portfolio being managed by KFINTECH is available in Play store and App Store. User are requested to download the application and register with the PAN number. Post verification, user can use functionalities like – Check portfolio / holding, check IPO status / Demat / Remat, track general meeting schedules, download ISR forms, view the live streaming of AGM and contact the RTA with service request, grievance, and query.

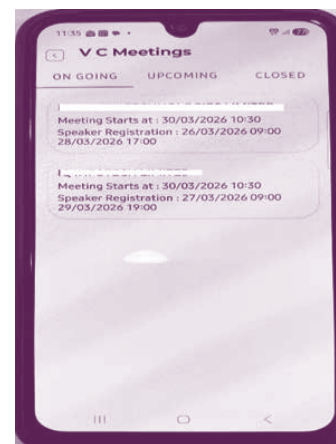


Write up on attending AGM via KPRISM Mobile Application:

Continuous innovation is a hallmark of KFIN Technologies Limited. As a responsible partner committed to enhancing user experience, the company has introduced a new feature that allows shareholders to attend the Annual General Meeting (AGM) through the KPRISM mobile application.

Registered users can log in to the KPRISM app and access the live streaming of the AGM hosted on the KFINTECH platform. After logging in, simply tap  the three-line menu icon at the top left corner and scroll to **Live Streaming**.

By clicking on the **Live Streaming** option, users will be directed to the event selection page. Shareholders listed on the record date can then choose the company whose AGM they wish to join and participate seamlessly in the proceedings



<https://ris.kfintech.com/>



[KFinTech | eMeetings](https://kfintech.com/eMeetings)



<https://karisma.kfintech.com/>



<https://www.kfintech.com/>



<https://kprism.kfintech.com/>



<https://evoting.kfintech.com/>



Pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD-POD/P/CIR/2025/97 dated July 2, 2025, a Special Window has been opened for all Shareholders for a period of six months, from July 7, 2025 to January 6, 2026 to facilitate re-lodgement of transfer requests of physical shares. This facility is available for the Investors who had lodged their Transfer deeds prior to the deadline of April 01, 2019 and which were rejected, returned, or not attended to due to deficiencies in documents/process/or otherwise. SEBI has further extended the facility through its subsequent circular dated January 30, 2026. The updated circular provides a one-year special window from February 05, 2026 to February 04, 2027 for shareholders to re-lodge such transfer requests with complete documentation. The aforesaid investors are now encouraged to take advantage of this opportunity by furnishing the necessary documents to the Bank's Registrar and Transfer Agent i.e. KFin Technologies Limited, Selenium Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032, Contact Person: G. Vasantha Rao Chowdari, Ph: 1800 3094 001, Email ID: einward.ris@kfintech.com. With a view to informing the same to the Shareholders, the Bank has also published advertisements regarding the same in one English newspaper and in one Malayalam newspaper and placed the information on the social media platforms and website of the Bank.

16. UNCLAIMED / UNPAID DIVIDEND

All dividends remaining unclaimed or unpaid including the balance in Dividend Account upto and including financial year 1993-94 have been transferred to the General Reserve Account of the Central Government. Any claim in respect of transferred amounts shall be made to the Registrar of Companies, Kerala Company Law Bhavan, Bharath Matha College, P.O., Kochi - 682 021.

In terms of Section 125 of the Companies Act, 2013, the amount which has remained unclaimed/unpaid for a period of 7 years from the date of transfer to the unpaid/ unclaimed Dividend Account has to be transferred to the "Investors' Education and Protection Fund" and thereafter, no claim can be made by any shareholder against the Bank for the dividend amount of that year. Upon transfer of such shares to IEPF account, all benefits (eg. bonus, split, etc.), if any, accruing on such shares shall also be credited to the IEPF Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. The members/ claimants whose shares, unclaimed dividend etc. have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority as per the procedure prescribed in the IEPF Rules.

The unpaid dividend for the financial year 2010-11 was transferred to this fund in the financial year 2018-19. Consequently, all dividends remaining unclaimed or unpaid have been transferred to this fund.

In accordance with the Investor Education Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, notified by MCA, the Bank is required to transfer all unclaimed/unpaid shares in respect of which dividends have remained unclaimed for the last seven years continuously to the IEPF suspense account. The Bank has transferred all shares on which dividends have remained unclaimed / unpaid for the last seven years to the said account after giving due notice to the shareholders as prescribed under the Companies Act, 2013 and the rules made thereunder.

17. DISCLOSURE WITH RESPECT TO SUSPENSE ESCROW DEMAT ACCOUNT

In compliance with schedule V Clause F of SEBI LODR Regulations, 2015 and further to SEBI Circulars issued with respect to Issuance of Securities in dematerialized form in case of Investor Service Requests, the Bank has opened a suspense escrow account to transfer the non-dematerialised shares which are pending for dematerialisation by the securities holder/claimant within 120 days of the date of Letter of Confirmation issued by the Bank/ RTA. The details of shares in the said account are as follows:

- (a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year (01.04.2025) - Nil
- (b) Aggregate Number of shareholders and the outstanding shares transferred during the financial year 2025-26 to Unclaimed Suspense Account – 8 shareholders; 12660 shares
- (c) Number of shareholders who approached listed entity for transfer of shares from suspense account during the year 2025-26 - 2
- (d) Number of shareholders to whom shares were transferred from suspense account during the year 2025-26 – 2 shareholders; 2550 shares
- (e) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year (31.03.2026) – 6 shareholders; 10110 shares

Further, the Bank has opened a separate demat suspense escrow account for crediting Rights Entitlements on the basis of the Equity Shares in cases where the Bank was unable to credit Rights Entitlements for varied reasons (Allotments under Rights Issue was completed on 04.02.2025). Such credit has been done as per the Regulatory provisions. The details of shares in the said account are as follows:

- (a) Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 01.04.2025 – 4 holders with 966 shares
- (b) Aggregate Number of shareholders and the outstanding shares transferred during the financial year 2025-26 to Unclaimed Suspense Account - Nil
- (c) Number of shareholders who approached listed entity for transfer of shares from suspense account during the year 2025-26 – 2 holders
- (d) Number of shareholders to whom shares were transferred from suspense account during the year 2025-26 – 2 holders
- (e) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year (31.03.2026) – 2 holders with 630 shares

The Bank has complied with all the Regulatory requirements in this regard.

18. COMPLIANCE OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Board of Directors of the Bank as on March 31, 2026 had 10 Directors comprising of the Chairman, who is independent non-executive director, Managing Director & CEO, one Executive Director, 4 independent non-executive Directors, one non-executive Director and 2 additional Directors appointed by the Reserve Bank of India under Section 36AB of the Banking Regulation Act, 1949.

The Bank has complied with all mandatory recommendations prescribed in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. A certificate to this effect from Mr. V Suresh Associates, Practicing Company Secretary is annexed as Annexure II to this report.

The Bank has complied with the following discretionary requirements stipulated under Part E of Schedule-II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

(A) Modified opinion(s) in Audit Report

The auditor's report on the Bank's audited financial statements for the FY 2025-26 contains unmodified opinion on the financial statements and the Bank wishes to continue with a regime of financial statements with unmodified audit opinion.

(B) Shareholder Rights

The Bank discloses its financial results of every quarter to the Stock Exchanges within the prescribed timelines and the same is available on the websites of the Stock Exchanges. The results are also available on the Bank's website at <https://www.dhan.bank.in/statutory-reports/> which is accessible to the public. The results are published in an English newspaper having wide circulation and a Malayalam newspaper having wide circulation in Kerala.

(C) Separate posts of Chairperson and the Managing Director or the Chief Executive Officer

The Bank already has separate posts for the Chairperson and the Managing Director & Chief Executive Officer. The Chairperson will always be a non-executive independent Director. Chairperson is unrelated to Managing Director & Chief Executive Officer, which has been the position earlier also.

19. AFFIRMATION OF COMPLIANCE WITH CODE OF CONDUCT

I, Ajith Kumar K.K, Managing Director & CEO hereby confirm that all Directors and Members of the Senior Management have affirmed compliance with Dhanlaxmi Bank Code of Conduct for Directors and Senior Management.

By and on behalf of the Board

Sd/-

Ajith Kumar K.K

Managing Director & CEO

DIN: 08504660

Place : Thrissur

Date : August 19, 2026

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE REQUIREMENTS UNDER
SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS)
REGULATIONS, 2015.**

To the Members of

Dhanlaxmi Bank Limited

1. We have examined the compliance of Corporate Governance by Dhanlaxmi Bank Limited ('the Company') for the year ended 31.03.2026, as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (f) of Regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').
2. The compliance of conditions of Corporate Governance with respect to Regulations 17 to 27 of Listing Regulations is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance with respect to the said Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have carried out an examination of the relevant records of the Company in accordance with the certification of Corporate Governance as per the Listing Regulations.

Opinion

4. Based on our examination of the relevant records and according to the information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (f) of Regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2026. The fine of ₹ 75,000/- plus GST levied by the BSE Limited in respect of the delay in filing the disclosures under Regulation 23(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The bank since complied with the regulation and the fine has also been paid. We further state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by it.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For V Suresh Associates
Practising Company Secretaries

V Suresh

Senior Partner

FCS No. 2969

C.P. No. 6032

Place : Chennai
Date : 19.08.2026

Peer Review Cert. No.: 6366/2025
UDIN: F002969H001130568

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of

Dhanlaxmi Bank Limited
Dhanalakshmi Bank Building, Naickanal,
Trichur, Kerala - 680001.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Dhanlaxmi Bank Limited having CIN:L65191KL1927PLC000307 and having registered office at Dhanalakshmi Bank Building, Naickanal, Trichur, Kerala - 680001 (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 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) 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 31st March, 2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority

Sr. No.	Name of Director	DIN	Date of appointment in Bank
1	Mr. Kunhi Krishnan Ajith Kumar	08504660	20.06.2024
2	Mr. Madhusoodanan Kannimel Narayana Panicker	00396796	09.11.2022
3	Ms. Nirmala Padmanabhan	09455116	09.11.2022
4	Mr. Gangadharan Nair Rajagopalan	08845540	17.08.2020
5	Ms. Vardhini Kalyanaraman	09730053	21.02.2023
6	Mr. Ashutosh Khajuria	05154975	22.03.2025
7	Mr. Purusothaman Suriaraj	10901432	20.01.2025
8	Mr. Chittilangatt Kalam Jineesh Nath	01476775	31.07.2024
9	Mr. Nageswara Rao Chatradi	10398566	18.11.2023
10	Ms. Sujatha Jaganathan	11387742	19.11.2025

Ensuring the eligibility of 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 V Suresh Associates
Practising Company Secretaries

V Suresh
Senior Partner
FCS No. 2969
C.P.No. 6032

Place : Chennai
Date : 19.08.2026

Peer Review Cert. No.: 6366/2025
UDIN: F002969H001130656

CEO / CFO Certification

We, Ajith Kumar K K, Managing Director and CEO and Kavitha T A, Chief Financial Officer, of Dhanlaxmi Bank Limited hereby certify that:

- 1) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2026 and that to the best of our knowledge and belief:
 - 1) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
 - 2) these statements together present a true and fair view of the Bank's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- 2) There are, to the best of our knowledge and belief, no transactions entered into by the Bank during the year which are fraudulent, illegal or violation of the Bank's Code of Conduct.
- 3) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Bank pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- 4) We have indicated, to the Auditors and the Audit Committee:
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in Bank's internal control system over financial reporting.

Yours Faithfully

Ajith Kumar K.K
Managing Director & CEO
(DIN : 08504660)

Kavitha T. A
Chief Financial Officer

Place : Thrissur
Date : April 28,2026

Independent Auditor's Report

To

The Members of Dhanlaxmi Bank Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Dhanlaxmi Bank Limited ("the Bank"), which comprise the Balance Sheet as at 31st March, 2026, 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 in which are included the financial results for the year ended on that date of:

The Head Office, Treasury and top 20 branches audited by us and the remaining 246 branches/offices audited by the respective Statutory Branch Auditors appointed by the Bank for this purpose.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements together with the Principal Accounting Policies and Notes appended thereto give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 (the "Act") in the manner so required for banking companies and are in conformity with accounting principles generally accepted in India and give a true and fair view of the state of affairs of the Bank as at 31st March, 2026, its profit and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the year ended 31.03.2026. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How our audit addressed the Key Audit Matters
1. Classification of Advances, Identification of Non-Performing Advances, Income Recognition and Provision on Advances Refer Note No. 4 of Schedule 18 to the financial statements relating to Asset Quality in respect of movement of Non-Performing Assets (NPAs) and related provisions. Advances constitute a significant portion of the Bank's total assets. They are, inter alia, governed by income recognition, asset classification, and provisioning (IRAC) norms, as well as other circulars and directives issued by the RBI from time to time, which provide guidelines related to the classification of Advances into performing and non-performing Advances (NPA) and the recognition of provisions. The identification of performing and non-performing advances involves the establishment of a proper mechanism, and the Bank is required to apply a significant degree of judgment to identify and determine the amount of provision required against each non-performing asset (NPA), applying both quantitative and qualitative factors prescribed by the regulations.	Our audit approach included testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of income recognition, asset classification and provisioning pertaining to advances. We have evaluated and understood the Bank's internal control system in adhering to the relevant RBI guidelines regarding income recognition, asset classification and provisioning pertaining to advances. We evaluated the design, implementation and operating effectiveness of key internal controls over the valuation of securities for NPAs and Special Mention Accounts ('SMA'). We checked the minutes of credit and business committee meetings and enquired with the credit and risk departments to ascertain if there were indicators of stress or an occurrence of an event of default in a loan account or any product.

Key Audit Matters	How our audit addressed the Key Audit Matters
The management of the bank relies on the CBS (Core Banking Solutions) along with other allied IT systems accompanied by various estimates, prudent judgement relating to performance of borrowers, determination of security value, manual interventions including services of experts & professionals for asset classification, Income recognition and provisioning thereon. Compliance of relevant prudential norms issued by the Reserve Bank of India (RBI) in respect of income recognition, asset classification and provisioning pertaining to advances is a key audit matter due to its high degree of complexity and materiality involved. Bank has significant exposure to a large number of borrowers across various sectors, products and industries and there is a high degree of complexity, uncertainty and judgment involved in recoverability of advances, nature of transactions, estimation of provisions thereon.	We have test checked advances to examine the validity of the recorded amounts, loan documentation, examined the statement of accounts, indicators of impairment, impairment provision for non-performing assets and compliance with income recognition, asset classification and provisioning pertaining to advances in terms of applicable RBI guidelines. We have reviewed the CBS and other related & allied systems for compliance with the prudential norms issued by Reserve Bank of India. We considered the Internal Audit, Systems Audit, Credit Audit and Concurrent Audit reports. We considered the RBI Annual Financial Inspection report on the Bank, the bank's response to the observations and other communication with RBI during the year.

2. Valuation of Investments, Identification of and provisioning for Non-Performing Investments.

Refer Note No. 3 of Schedule 18 to the financial statements with respect to Investments and related Provisions. Investments include investments made by the Bank in various Government Securities, Bonds, Debentures, Shares, Security receipts and other approved securities. These are governed by the circulars and directives of the RBI. These directions of RBI, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments, non-recognition of income and provisioning against non-performing investments. Considering the complexities and extent of judgement involved in the valuation, volume of transactions, investments on hand and degree of regulatory focus, this has been determined as a Key Audit Matter. Accordingly, our audit was focused on valuation of investments, classification, identification of nonperforming investments and provisioning related to investments.	Our audit approach included testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of valuation, classification, identification of non-performing investments (NPIs) and provisioning/depreciation related to Investments. We tested the accuracy and compliance with the RBI Master Circulars and directions by re-performing valuation for each category of the security on sample basis. We assessed and evaluated the process adopted for collection of information from various sources for determining market value of the investments. We carried out substantive audit procedures to recompute independently the provision to be maintained in accordance with the circulars and directives of the RBI. Accordingly, we selected samples from the investments of each category and tested for NPIs as per the RBI guidelines and recomputed the provision to be maintained in accordance with the RBI Circular for those selected sample of NPIs; We tested the mapping of investments between the Investment application software and the financial statement preparation software to ensure compliance with the presentation and disclosure requirements as per the aforesaid RBI Circular/directions. We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision.
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Other Matters

We did not audit the financial statements of 246 branches and processing centres included in the financial statements of the Bank whose financial statements reflect total assets of ₹11933.86 Crore as at 31st March 2026 and total revenue of ₹1020.02 Crore for the year ended on that date, as considered in the financial statements. These branches and processing centres cover 73.49%

of gross advances, 84.25% of deposits and 68.26% of non-performing assets as at 31st March 2026 and 56.86% of revenue for the year ended 31st March 2026. The financial statements of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of the above matter.

Information other than the Financial Statements and Auditor's Report thereon

The Bank's Management and 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 Bank's 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 do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information 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 Bank's annual report, if we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and those charged with governance for the Financial Statements

The Bank's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with relevant rules issued thereunder, in so far as they apply to the Bank and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and 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 Directors either

intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- Conclude on the appropriateness of management and Board of Directors 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.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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

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 Companies Act, 2013 read with relevant rules issued thereunder.

1. 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) The returns received from the Offices and branches of the Bank have been found adequate for the purpose of our audit;

- d) the profit and loss account shows a true balance of profit for the year then ended.

2. Further, 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 purpose 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 and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- c) The reports on the accounts of the branch offices of the Bank audited by branch auditors under Section 143(8) of the Act have been forwarded to us and have been properly dealt with by us in preparing this report;
- d) 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 and with the returns received from the branches not visited by us;
- e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder, to the extent they are not inconsistent with the accounting policies prescribed by RBI;
- f) On the basis of written representations received from the directors as on 31 March, 2026 and taken on record by the Board of Directors, none of the directors are disqualified as on 31 March, 2026 from being appointed as a director in terms of Section 164(2) of the Act;
- g) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report;
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended;

The Bank is a Banking Company as defined under Banking Regulation Act, 1949. Accordingly, the requirements prescribed under Section 197 of Act do not apply;

- i) 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 and Note No. 16(d) of Schedule 18 to the financial statements;

- ii) The Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note No 16(f) of Schedule 18 to the financial statements;
- iii) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Bank.
- iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("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, no funds (which are material either individually or in the aggregate) have been received by the Bank from any person or entity, including foreign entity ("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;

- (c) Based on the audit procedures that have been 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) The bank has not declared or paid any dividend during the year and hence the compliance of Section 123 of the Act is not applicable.
- vi) Based on our examination which included test checks, the Bank has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Bank as per the statutory requirements for record retention.

For **Sagar & Associates**
 Chartered Accountants
 Firm Registration No.003510S

For **Abraham & Jose**
 Chartered Accountants
 Firm Registration No. 000010S

B Srinavasa Rao
 Partner
 Membership No: 202352
 UDIN: 26202352EVSOWU1647

Mukesh K.P.
 Partner
 Membership No: 214773
 UDIN: 26214773EJSDSH3532

Place : Thrissur
 Date : 28.04.2026

Place : Thrissur
 Date : 28.04.2026

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 2(g) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date) Independent Auditor's Report on the Internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls with reference to financial statements of Dhanlaxmi Bank Limited ("the Bank") as of 31 March, 2026 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

In our opinion, the Bank has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2026, based on the internal control with reference to financial statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Management's Responsibility for Internal Financial Controls

The Bank's management is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note issued by the 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 Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to 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 judgment, including the assessment

of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal financial controls with reference to financial statements

A bank'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 bank'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 authorizations of management and Directors of the bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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

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 **Sagar & Associates**

Chartered Accountants

Firm Registration No.003510S

B Srinavasa Rao

Partner

Membership No: 202352

UDIN: 26202352EVSOWU1647

Place : Thrissur

Date : 28.04.2026

For **Abraham & Jose**

Chartered Accountants

Firm Registration No. 000010S

Mukesh K.P.

Partner

Membership No: 214773

UDIN: 26214773EJSDSH3532

Place : Thrissur

Date : 28.04.2026

Balance Sheet

As at March 31, 2026

(₹ in '000)

	Schedule No	As at March 31, 2026	As at March 31, 2025
CAPITAL AND LIABILITIES			
Capital	1	39,46,989	39,46,989
Reserves and Surplus	2	1,07,92,247	1,00,05,867
Deposits	3	18,64,28,793	16,01,34,513
Borrowings	4	73,66,256	20,00,000
Other Liabilities and Provisions	5	38,42,268	32,82,004
TOTAL		21,23,76,553	17,93,69,373
ASSETS			
Cash and Balances with Reserve Bank of India	6	94,79,618	99,23,952
Balances with Banks and Money at call and short notice	7	12,38,411	8,74,279
Investments	8	4,25,74,415	3,95,51,519
Advances	9	14,91,80,634	11,95,94,899
Fixed Assets	10	29,00,362	28,15,576
Other Assets	11	70,03,113	66,09,148
TOTAL		21,23,76,553	17,93,69,373
Contingent Liabilities	12	60,96,007	60,80,480
Bills for collection		33,65,502	30,80,930
Significant Accounting Policies	17		
Notes to financial Statements	18		
Schedules referred to above form an integral part of the Balance Sheet			

For and on behalf of Board of Directors

Kavitha T A

Chief Financial Officer

As per our Report of even Date

For Sagar & Associates,
Chartered Accountants,
Firm Registration No. 003510S
Venkatesh H

Company Secretary

For Abraham & Jose,
Chartered Accountants,
Firm Registration No. 000010S
CA. B Srinivasa Rao,
Partner
Membership No. 202352
CA. Mukesh K P,
Partner
Membership 214773
K.N Madhusoodanan
Chairman
(DIN 00396796)
P. Suriaraj
Executive Director
(DIN 10901432)
Dr. Nirmala Padmanabhan
Director
(DIN 09455116)
Jineesh Nath C.K.
Director
(DIN 01476775)
Sujatha Jaganathan
Director
(DIN 11387742)
Ajith Kumar K.K
MD & CEO
(DIN 08504660)
G. Rajagopalan Nair
Director
(DIN 08845540)
Vardhini Kalyanaraman
Director
(DIN 09730053)
Ashutosh Khajuria
Director
(DIN 05154975)
C Nageswara Rao
Director
(DIN 10398566)

Place: Thrissur.

Date : 28th April, 2026

Profit & Loss Account

for the year ended March 31, 2026

	Schedule No	Year ended March 31, 2026	Year ended March 31, 2025
(₹ in '000)			
INCOME			
Interest Earned	13	1,60,14,835	1,31,98,772
Other Income	14	19,23,908	16,92,072
Total		1,79,38,743	1,48,90,844
EXPENDITURE			
Interest expended	15	97,91,547	83,65,919
Operating Expenses	16	59,84,405	55,73,883
Provisions and Contingencies		11,35,309	2,84,628
Total		1,69,11,261	1,42,24,430
Profit/Loss			
Net Profit/(Loss) for the year		10,27,482	6,66,414
Profit /(Loss)brought forward		(71,12,474)	(76,12,278)
Total		(60,84,992)	(69,45,864)
Appropriations			
Transfer to Statutory Reserve		2,56,880	1,66,610
Transfer to Capital Reserve		36,279	-
Transfer to Investment Fluctuation Reserve Account		28,250	-
Balance carried over to Balance Sheet		(64,06,401)	(71,12,474)
Total		(60,84,992)	(69,45,864)
Earnings Per Share (in Rupees)		2.60	2.37
Basic EPS		2.60	2.37
Diluted EPS		2.60	2.37
Face value per Share		10.00	10.00
Significant Accounting Policies	17		
Notes to financial Statements	18		
Schedules referred to above form an integral part of the Profit and Loss account			

For and on behalf of Board of Directors

Kavitha T A
Chief Financial Officer

Venkatesh H
Company Secretary

K.N Madhusoodanan
Chairman
(DIN 00396796)

Ajith Kumar K.K
MD & CEO
(DIN 08504660)

As per our Report of even Date

For Sagar & Associates,
Chartered Accountants,
Firm Registration No. 003510S

For Abraham & Jose,
Chartered Accountants,
Firm Registration No. 000010S

P. Suriaraj
Executive Director
(DIN 10901432)

G. Rajagopalan Nair
Director
(DIN 08845540)

CA. B Srinivasa Rao,
Partner
Membership No. 202352

CA. Mukesh K P,
Partner
Membership 214773

Dr. Nirmala Padmanabhan
Director
(DIN 09455116)

Vardhini Kalyanaraman
Director
(DIN 09730053)

Jineesh Nath C.K.
Director
(DIN 01476775)

Ashutosh Khajuria
Director
(DIN 05154975)

Sujatha Jaganathan
Director
(DIN 11387742)

C Nageswara Rao
Director
(DIN 10398566)

Place: Thrissur.

Date : 28th April, 2026

Cash Flow Statement

for the year ended March 31, 2026

(₹ in '000)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Cash flow from operating activities		
Net profit before taxes	13,82,202	7,16,224
Adjustments for :		
Depreciation on fixed assets	2,99,668	2,53,266
Depreciation on Investments	24,134	-
Amortization of premium/ discount on investments	37,184	(7,624)
Loan Loss provisions including write off	7,01,030	1,79,668
Provision against standard assets	1,00,000	83,200
Provision for NPA (Investments)	-	13,277
Provision for restructured assets	(24,152)	(37,391)
Provision for fraud	-	500
(Profit)/ Loss on sale of fixed assets	(1,252)	(2,426)
Other provisions	(397)	(3,751)
Provision for unhedged Forex Exposure	4,108	(685)
Adjustments for :		
(Increase)/ Decrease in Investments (excluding Held to Maturity Investments)	41,86,554	(67,283)
(Increase)/ Decrease in Advances	(3,02,62,613)	(1,87,15,615)
Increase / (Decrease) in Borrowings	38,66,256	5,09,650
Increase/ (Decrease) in Deposits	2,62,94,280	1,72,31,428
(Increase) / Decrease in Other assets	(7,26,490)	(69,063)
Increase/ (Decrease) in Other liabilities and provisions	4,56,553	(2,25,091)
Direct taxes paid (net of refunds)	(22,195)	93,840
Net cash flow from/ (used in) operating activities	63,14,870	(47,876)
Cash flows from investing activities		
Purchase of fixed Assets/ Capital Work in Progress	(3,35,356)	(3,26,216)
Proceeds from sale of Fixed Assets	23,169	3,153
(Purchase)/ Sale of Investments (Held to Maturity)	(75,82,885)	-
Net cash flow from/ (used in) investing activities	(78,95,072)	(3,23,063)
Cash flows from financing activities		
Proceeds from issue of Share Capital	-	14,16,868
Proceeds from Share Premium (Net of share issue expenses)	-	15,06,055
Proceeds / (Repayment) of Tier II capital instruments net of repayment	15,00,000	(15,00,000)
Net cash generated from/ (used in) financing activities	15,00,000	14,22,923

(₹ in '000)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Net increase/ (decrease) in cash and cash equivalents	(80,202)	10,51,984
Cash and cash equivalents at the beginning of the year	1,07,98,231	97,46,247
Cash and cash equivalents as at the end of the year (Refer note below)	1,07,18,029	1,07,98,231
Note:		
Components of Cash and Cash Equivalents as at:	31.03.2026	31.03.2025
Cash and Balance with Reserve Bank of India (RBI)	94,79,618	99,23,952
Balances with Banks and Money at Call and Short Notice	12,38,411	8,74,279
Total	1,07,18,029	1,07,98,231

For and on behalf of Board of Directors

Kavitha T A
Chief Financial Officer

As per our Report of even Date

For Sagar & Associates,
Chartered Accountants,
Firm Registration No. 003510S

CA. B Srinivasa Rao,
Partner
Membership No. 202352

Venkatesh H
Company Secretary

For Abraham & Jose,
Chartered Accountants,
Firm Registration No. 000010S

CA. Mukesh K P,
Partner
Membership 214773

K.N Madhusoodanan
Chairman
(DIN 00396796)

P. Suriaraj
Executive Director
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(DIN 09455116)

Jineesh Nath C.K.
Director
(DIN 01476775)

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Director
(DIN 11387742)

Ajith Kumar K.K
MD & CEO
(DIN 08504660)

G. Rajagopalan Nair
Director
(DIN 08845540)

Vardhini Kalyanaraman
Director
(DIN 09730053)

Ashutosh Khajuria
Director
(DIN 05154975)

C Nageswara Rao
Director
(DIN 10398566)

Place: Thrissur.

Date : 28th April, 2026

Schedules to the Financial Statements

As at March 31, 2026

(₹ in '000)

	As at March 31, 2026	As at March 31, 2025
SCHEDULE 1 - CAPITAL		
Authorised Capital		
50,00,00,000 Equity Shares of ₹10 each (Previous Year 50,00,00,000 Equity Shares of ₹10 each)	50,00,000	50,00,000
Issued, Subscribed and Paid up Capital		
394698851 Equity Shares of ₹10 each (Previous Year 253012084 Equity Shares of ₹10 each)	39,46,989	39,46,989
Total	39,46,989	39,46,989
SCHEDULE 2 - RESERVES AND SURPLUS		
I. STATUTORY RESERVES		
Opening Balance	16,14,984	14,48,374
Additions during the year	2,56,880	1,66,610
Total	18,71,864	16,14,984
II. CAPITAL RESERVES		
a) Revaluation Reserve		
Opening Balance	15,86,381	15,93,682
Additions during the Year	71,015	-
Deductions during the year	(9,485)	(7,301)
Sub total	16,47,911	15,86,381
b) Capital Reserve		
Opening Balance	7,28,403	7,34,797
Additions during the year	56,630	(6,394)
Sub total	7,85,033	7,28,403
Total (a+b)	24,32,944	23,14,783
III SHARE PREMIUM ACCOUNT		
Opening Balance	1,15,60,538	1,00,54,482
Additions during the year	-	15,06,056
Total	1,15,60,538	1,15,60,538
IV REVENUE AND OTHER RESERVES		
a) Revenue Reserve		
Opening Balance	13,81,351	9,24,975
Additions during the year	9,485	4,56,376
Sub total	13,90,836	13,81,351
b) Investment Fluctuation Reserve		
Opening Balance	2,78,512	2,78,512
Additions during the year	28,250	-
Sub total	3,06,762	2,78,512

(₹ in '000)

	As at March 31, 2026	As at March 31, 2025
c) Investment Reserve		
Opening Balance	-	2,85,100
Additions during the year	-	(2,85,100)
Sub total	-	-
d) Special Reserve U/s 36(1)(viii) of Income Tax Act , 1961		
Opening Balance	59,857	59,857
Additions during the year	-	-
Sub total	59,857	59,857
e) AFS Reserve		
Opening Balance	(91,684)	-
Additions during the year	(2,99,999)	(91,684)
Deductions during the year	(32,469)	
Sub total	(4,24,152)	(91,684)
Total (a+b+c+d+e)	13,33,302	16,28,036
V BALANCE IN PROFIT AND LOSS ACCOUNT	(64,06,401)	(71,12,474)
Grand Total	1,07,92,247	1,00,05,867

SCHEDULE 3 - DEPOSITS

A I. Demand Deposits		
(i) From Banks	62,492	50,712
(ii) From Others	1,17,04,655	92,05,760
	1,17,67,147	92,56,472
II. Savings Bank Deposits	4,20,37,157	3,72,12,888
III. Term Deposits		
(i) From Banks	1,43,872	1,50,000
(ii) From Others	13,24,80,616	11,35,15,153
	13,26,24,488	11,36,65,153
Total	18,64,28,793	16,01,34,513
B I. Deposits of Branches in India	18,64,28,793	16,01,34,513
II. Deposits of Branches outside India	-	-
Total	18,64,28,793	16,01,34,513
The amount of Deposits against which lien is marked	44,31,838	28,06,659

SCHEDULE 4 - BORROWINGS

I. Borrowings in India		
(i) Reserve Bank of India	20,00,000	20,00,000
(ii) Other Banks	-	-
(iii) Other Institutions and Agencies	38,66,256	-
(iv) Capital Instruments		
(a) Upper Tier II bonds	-	-
(b) Lower Tier II bonds	15,00,000	-
Total	73,66,256	20,00,000
II. Borrowings Outside India	-	-
Total	73,66,256	20,00,000
Secured borrowings under Term repo with RBI and Repo with Other Institutions included above	58,66,256	20,00,000

(₹ in '000)

	As at March 31, 2026	As at March 31, 2025
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS		
I. Bills Payable	2,16,338	2,67,753
II. Inter Office Adjustments (Net)		-
III. Interest accrued	4,26,182	2,42,823
IV. Others (including Provisions)*	31,99,749	27,71,429
*Includes prudential provision for standard assets of ₹553522 thousands (Previous Year ₹464395 thousands)		
Total	38,42,268	32,82,004

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash on Hand (including foreign currency notes)	9,52,207	9,60,710
II. Balances with Reserve Bank of India		
(a) In current accounts	54,77,411	63,43,242
(b) In other accounts	30,50,000	26,20,000
	85,27,411	89,63,242
Total	94,79,618	99,23,952

SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE		
I. In India		
(i) Balances with Banks :		
(a) In current accounts	19,348	10,890
(b) In other deposit accounts	-	2,53,974
	19,348	2,64,864
(ii) Money at Call and Short Notice		
(a) With banks	-	-
(b) With other institutions	-	4,99,970
	-	4,99,970
Total	19,348	7,64,834
II. Outside India		
(i) In current account	1,52,169	1,09,445
(ii) In other deposit accounts	10,66,894	-
(iii) Money at Call and Short Notice	-	-
Total	12,19,063	1,09,445
Grand Total (I and II)	12,38,411	8,74,279

SCHEDULE 8 - INVESTMENTS		
A Investments in India in		
(i) Government Securities	4,08,67,700	3,62,33,111
(ii) Other Approved securities	-	-
(iii) Shares	1,12,163	1,98,292
(iv) Debentures and Bonds	15,94,551	31,20,116
(v) Subsidiaries and/or Joint Ventures	-	-
(vi) Others @	-	-
Total	4,25,74,415	3,95,51,519

(₹ in '000)

	As at March 31, 2026	As at March 31, 2025
B Investments outside India	-	-
Grand Total (A + B)	4,25,74,415	3,95,51,519
C (i) Gross Value of Investments		
(a) In India	4,25,74,415	3,95,51,519
(b) Outside India	-	-
Total	4,25,74,415	3,95,51,519
(ii) Depreciation/Provision for Investments		
(a) In India	-	-
(b) Outside India	-	-
Total	-	-
(iii) Net Value of Investments		
(a) In India	4,25,74,415	3,95,51,519
(b) Outside India	-	-
Total	4,25,74,415	3,95,51,519
@ Comprises of		
Particulars		
Security Receipts	-	-
Certificate of Deposits	-	-
	-	-

SCHEDULE 9 - ADVANCES

A (i) Bills Purchased and discounted	9,62,139	9,10,289
(ii) Cash Credits, Overdrafts and Loans repayable on Demand	1,44,77,038	1,10,00,571
(iii) Term Loans	13,37,41,457	10,76,84,039
Total	14,91,80,634	11,95,94,899
B (i) Secured by Tangible assets (Includes advances against book debts)	14,56,11,837	11,41,51,417
(ii) Covered by Bank/Govt Guarantee	26,45,704	9,70,362
(iii) Unsecured	9,23,093	44,73,120
Total	14,91,80,634	11,95,94,899
C I. ADVANCES IN INDIA		
(i) Priority sectors	7,43,94,846	6,67,82,868
(ii) Public Sector	48,78,309	46,84,349
(iii) Banks	-	-
(iv) Others	6,99,07,479	4,81,27,682
Total	14,91,80,634	11,95,94,899
II ADVANCES OUTSIDE INDIA	-	-
Grand Total (C I and C II)	14,91,80,634	11,95,94,899

SCHEDULE 10 - FIXED ASSETS

A Premises		
Gross Block		
As at the beginning of the year	22,57,135	22,57,135
Additions during the year due to revaluation of Premises	6,56,649	
Additions/Adjustments during the year	-	-
Deductions during the year	-	-
At the end of the year	29,13,784	22,57,135

(₹ in '000)

	As at March 31, 2026	As at March 31, 2025
Depreciation		
As at the beginning of the year	4,38,096	4,25,791
Additions during the year due to revaluation of Premises	5,85,634	-
Charge for the year	14,490	12,305
Deductions during the year	-	-
Depreciation to date	10,38,220	4,38,096
Net Block	18,75,564	18,19,039
B Other Fixed Assets (includes Furniture and Fixture and Computers)		
Gross Block		
As at the beginning of the year	32,36,034	31,13,763
Additions/Adjustments during the year	4,21,402	2,53,014
Deductions during the year	53,279	1,30,743
At the end of the year	36,04,157	32,36,034
Depreciation		
As at the beginning of the year	23,90,923	22,79,978
Charge for the year	2,85,178	2,40,961
Deductions during the year	31,363	1,30,016
Depreciation to date	26,44,738	23,90,923
Net Block	9,59,419	8,45,111
C Capital Work In progress	65,379	1,51,426
Total (A+ B+ C)	29,00,362	28,15,576

SCHEDULE 11 - OTHER ASSETS

I. Inter Office Adjustments (Net)	6,265	6,395
II. Interest Accrued	31,50,569	23,96,582
III. Tax paid in advance and Tax Deducted at Source (net of provisions)	3,12,770	5,71,328
IV. Deferred Tax Asset (Net)	4,45,847	5,71,475
V. Stationery and stamps	12,233	9,215
VI. Non Banking Assets acquired in satisfaction of claims	-	5,839
VII. Others*	30,75,429	30,48,314
Total	70,03,113	66,09,148

*Includes deposits placed with NABARD, SIDBI, NHB and Mudra amounting to ₹1167212 thousands (Previous year ₹1778678 thousands)

SCHEDULE 12 - CONTINGENT LIABILITIES

I. Claims against the bank not acknowledged as debts	4,10,153	3,88,882
II. Liabilities on account of outstanding forward exchange contracts	14,34,424	12,47,033
III. Guarantees given on behalf of constituents in India	28,00,127	29,39,497
IV. Acceptance endorsements and other obligations	96,380	97,697
V. Liability on account of interest rate swaps		
VI. Other items for which Bank is contingently liable	13,54,923	14,07,371
i) Amount transferred to DEAF	10,82,015	9,87,822
ii) Disputed Tax Liability	1,27,427	2,37,797
iii) Estimated amount of contracts remaining to be executed on capital account and not provided for	1,45,481	1,81,752
Total	60,96,007	60,80,480

Schedules forming part of the Profit and Loss Account

(₹ in '000)

	Year ended March 31, 2026	Year ended March 31, 2025
SCHEDULE 13 - INTEREST EARNED		
I. Interest/Discount on Advances/bills	1,30,53,501	1,06,29,013
II. Income on Investments	27,61,593	22,62,479
III. Interest on balance with Reserve Bank of India and other inter Bank funds	85,737	1,46,178
IV. Others	1,14,004	1,61,102
Total	1,60,14,835	1,31,98,772
SCHEDULE 14 - OTHER INCOME		
I. Commission, Exchange and Brokerage	1,28,097	1,31,865
II. Profit/(Loss) on sale of Investments (Net)	1,10,253	1,31,709
III. Profit/ (Loss) on revaluation of Investments	(24,134)	190
IV. Profit/(Loss) on sale of land, building and other Assets (Net)	1,252	2,426
V. Profit /(Loss) on exchange transactions (Net)	17,275	6,933
VI. Income from Insurance	1,83,144	1,32,432
VII. Miscellaneous Income*	15,08,021	12,86,517
Total	19,23,908	16,92,072
<i>*Includes</i>		
<i>Processing Charges</i>	<i>3,34,883</i>	<i>2,73,720</i>
<i>Amount written off since recovered</i>	<i>2,73,057</i>	<i>1,67,016</i>
SCHEDULE 15 - INTEREST EXPENDED		
I. Interest on Deposits	94,42,536	81,73,818
II. Interest on Reserve Bank of India/Inter bank borrowings	1,94,100	28,457
III. Others	1,54,911	1,63,644
Total	97,91,547	83,65,919
SCHEDULE 16 - OPERATING EXPENSES		
I. Payments to and Provisions for Employees	32,69,668	31,36,389
II. Rent, Taxes and Lighting	5,88,306	5,60,982
III. Printing and Stationery	23,827	23,522
IV. Advertisement and Publicity	12,653	12,075
V. Depreciation to Bank's property	2,99,668	2,53,266
VI. Directors Fees, Allowances and Expenses	10,838	12,071
VII. Auditors' Fees and Expenses (including Branch Auditors)	13,306	13,520
VIII. Law charges	19,895	18,314
IX. Postages, Telegrams, Telephones etc	29,006	58,466
X. Repairs and Maintenance	6,19,665	4,57,097
XI. Insurance	2,66,673	2,32,046
XII. Other Expenditure	8,30,900	7,96,135
Total	59,84,405	55,73,883

SCHEDULE 17- SIGNIFICANT ACCOUNTING POLICIES

1.1 Corporate Information and Background

Dhanlaxmi Bank Limited ('DBL' or the 'Bank') is a private sector Bank incorporated in the year 1927. Dhanlaxmi Bank Limited is a publicly held bank engaged in providing a wide range of banking and financial services. Dhanlaxmi Bank Limited is a banking company governed by the Banking Regulation Act, 1949 and the Companies Act, 2013. 56% of the branches of the Bank are in Kerala.

1.2 Basis of Preparation

The Standalone financial statements have been prepared in accordance with 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 in all material aspects to Generally Accepted Accounting Principles in India ("Indian GAAP"), the circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time and the Accounting Standards prescribed under Section 133 of the Companies Act, 2013, (as amended) and the relevant provisions of the Companies Act, 2013 ("the Act"), and current practices prevailing within the banking industry in India. The Bank follows the historical cost convention and accrual method of accounting in the preparation of the financial statements, except where otherwise stated. The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year.

1.3 Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles, requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision to the accounting estimates is recognized prospectively in the current and future periods.

1.4 Significant Accounting Policies

I. Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Bank and revenue can be reliably measured under AS-9 "Revenue Recognition as prescribed under section 133 of the Companies Act, 2013 and as specified by RBI guidelines.

A. Income on Advances

- o Interest income from loans and advances, are recognized over the period of the loans and advances on accrual basis.
- o Interest accrued and other dues in the nature of non-interest income relating to Advances/ Investments, classified as Non-performing Advances/ Investments under RBI guidelines, are recognized only on realization.

B. Income on Investments

- o Interest income from Investments is recognized on accrual basis.
- o Profit or loss on revaluation of Fair Value through Profit and Loss (FVTPL) investments is recognized in the Profit and Loss Account.
- o Broken period interest received and paid should be treated as item of Income and expenditure under 'Income on Investments' in Schedule 13 of Profit and Loss account.
- o The discount or premium on acquisition of debt securities are amortized over the remaining life of the instrument and such amortized amount in case of HTM, AFS and FVTPL investments should be reflected in the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8: 'Investments'.
- o The net appreciation or depreciation in case of AFS investments shall be credited or debited to a reserve named 'AFS-Reserve' without routing through the Profit and Loss account.
- o Upon sale or maturity of a debt instrument in AFS category, the accumulated gain/ loss for that security in the AFS-Reserve should be transferred from AFS-Reserve and recognized in the Profit and Loss account under item II Profit on sale of investments under Schedule 14 – Other Income.
- o Sale of investments in HTM should be recognized in the Profit and Loss Account under item II of Schedule 14: 'Other Income'. This shall be appropriated below the line from the Profit and Loss account to the 'Capital Reserve Account'.
- o Upon sale of securities in HFT under FVTPL, profit /loss should be credited / debited to Profit and Loss account.
- o Dividend on Equity Shares, Preference Shares and on Mutual Funds is recognized as Income when the right to receive the dividend is established.

C. Other Income

- o Interest on income tax refund is recognized in the year of receipt of Assessment Orders
- o Commission on ATM interchange fees are recognized as they accrue.
- o Upfront fees on restructured accounts are apportioned over the restructured period.
- o Profit earned from the sale of gold/silver bullion, if any, (i.e., the difference between the sale price and the purchase price) is included under "Other Income".
- o Insurance claims, Commission from distribution of Mutual Fund products and Commission from Depository services and on government business are accounted on receipt basis.
- o The claims from government departments on account of subsidy/ subvention etc., are accounted on receipt basis or when the intimation for claim is received.
- o The recoveries made from NPA accounts are appropriated based on the order of demand applicable to borrowers' accounts as per Recovery policy.
- o Locker Rent is accounted on receipt basis without spreading it over the remaining lease period. However, in respect of advance remittances by the customers, for more than one year, one year locker rent is accounted on receipt basis and balance will be credited to income only when it became due.
- o Commission income on issuance of Bank Guarantee/ Letter of Credit and Discount on Bill Discounted is collected upfront and is recognized over the period of the underlying liability.
- o Commission on distribution of Insurance products is accounted on accrual basis.
- o Processing fee/ upfront fee, handling charges or income of similar nature collected at the time of sanctioning or renewal of loan/ facility is recognized in the year of receipt without spreading it over the period of loan/ facility.
- o Unpaid funded interest on term loans is accounted on realization as per the guidelines of RBI.
- o All other amounts collected from customers as non-interest income or recovery of expenses towards provision of various services/ facilities are accounted/ recognized on receipt basis.

II. Expenses recognition

A) Interest Expenses

All interest expenses relating to deposits accepted and borrowings are recognized on accrual basis. Pursuant to RBI guidelines, the interest payable on overdue term deposit is provided on accrual basis at simple rate of interest as applicable to savings account or contracted rate of interest on the matured TD, whichever is lower from 09.07.2021.

Brokerage, Commission, Securities Transaction Tax etc. paid in connection with acquisition of investments are expensed upfront and excluded from cost. Broken period interest paid/ received on debt instruments is treated as interest expense/ income and is excluded from cost/ sale consideration.

B) Employee benefits

a) Provident Fund:

The contribution made by the bank to Dhanlaxmi Bank Ltd Employees Provident Fund, administered by the trustees is charged to Profit & Loss account. Provident Fund is a Defined Contribution Plan in which both the employee and the Bank contribute monthly at a pre-determined rate. Employers' contribution to provident fund is recognized as expense as and when the services are rendered. The Bank has no liability for future provident fund benefits other than its annual contribution.

b) Pension Fund

The contribution towards Dhanlaxmi Bank Ltd Employees' Pension Fund, managed by trustees, is determined on actuarial basis on projected unit credit method as on the Balance Sheet date and is recognized in the accounts. The actuarial gain or loss arising during the year is recognized in the Profit and Loss Account.

c) National Pension System (NPS)

Employees who had joined the services of the Bank with effect from April 01, 2010 are covered under Defined Contributory Pension Scheme (DCPS). In respect of such employees the bank contributes 14% of the Basic Pay plus Dearness Allowance and the expenditure thereof is charged to Profit and Loss account and the Bank has no further liability beyond the contribution to the fund on this account.

d) Gratuity:

The Bank makes annual contribution to Dhanlaxmi Bank Ltd Employees' Gratuity Trust Fund administered and managed by the trustees. The cost of providing such benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in the Profit and

Loss Account in the period in which they occur. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

e) Compensation for absence on account of Privilege/ Sick Leave

The employees of the Bank are entitled to compensated absence on account of privilege/ sick leave as per the leave rules. The bank measures the long term expected cost of compensated absence as a result of the unused entitlement that has accumulated at the balance sheet date based on actuarial valuation and such costs are recognized in the accounts.

f) Other Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employee is recognized during the period when the employee renders the service.

g) Employee Stock Compensation Cost

Measurement and accounting of employee share-based payment plans will be done in accordance with the Guidance Note on Accounting for Employee Share-based Payments issued by ICAI; SEBI (Share Based Employee Benefits) Regulations, 2014 and RBI guidelines in this regard. The share linked payments will also be governed by Bank's Scheme for Employee Stock Option Plan, once approved and implemented.

Other Operating Expenses:

Other operating expenses are generally accounted on accrual basis. In the case of rent, where rent agreement is expired, rent is accounted on the basis of expired agreement till the new rent agreement is signed.

III. Net profit

Net Profit is arrived at after provisions for contingencies, which inter alia, include provision for Standard Assets, Restructured Advances and NPAs and NPIs; Fraud and unhedged foreign currency exposure and Taxation in accordance with statutory requirements. The provision for NPA include write off of bad debts also.

IV. Advances

A) Valuation/ Measurement

- a) Advances are classified into performing assets (Standard) and non-performing assets ('NPAs') as per the RBI guidelines and are stated net of specific provisions made towards NPAs, sacrifice provisions on restructured advances and unrealized interest on NPAs. Interest on NPAs is transferred to an unrealized interest account and not recognized in profit and loss account until received. Further, NPAs are classified into substandard, doubtful and loss assets based on the criteria stipulated by the RBI. Provision for NPAs is made in accordance with the prudential norms prescribed by the RBI. In addition, the Bank makes higher provisions, wherever considered necessary, based on management's assessment of the degree of recoverability, collateral value, and other relevant risk factors, particularly in respect of unsecured and stressed exposures.
- b) Amounts recovered against debts written off are recognized in the profit and loss account and included under "Other Income". The recovery of unrealized interest is accounted under "Interest on Loans & Advances" in the profit and loss account.
- c) For restructured/rescheduled assets, provision is made in accordance with the guidelines issued by the RBI, which requires the diminution in the fair value of the assets to be provided at the time of restructuring. In respect of loans and advances accounts subjected to restructuring, the account is upgraded to standard only after the specified period i.e., a period of one year after the date when first payment of interest or of principal, whichever is later, falls due, subject to satisfactory performance of the account during the period. The provision for diminution in fair value and interest sacrifice, if any relating to NPA accounts, arising out of the above, is reduced from advances.
- d) For entities with Un-hedged 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 un-hedged position. The Provision is classified under Schedule 5 – Other Liabilities in the Balance Sheet.
- e) The Bank maintains general provision for standard assets including credit exposures computed as per the current marked-to-market values of foreign exchange derivative contracts, in accordance with the guidelines and at levels stipulated by RBI from time to time. These provisions are reflected in Schedule 5 of the Balance Sheet under the head "Other Liabilities & Provisions – Others" and are not considered for arriving at the Net NPAs.
- f) Bank makes additional provision on project finance, relevant restructuring schemes announced by RBI, borrowers classified as fraud, etc., as per RBI norms.

- g) Loss on sale of assets to Asset Reconstruction Companies: RBI issued Master Direction- Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 on September 24, 2021. In accordance with these guidelines, when the stressed loan is transferred to ARC at a price below the Net Book Value (NBV) at the time of transfer, lenders shall debit the shortfall to the profit and loss account for the year in which the transfer has taken place. When the stressed loan is transferred to an ARC for a value higher than the NBV at the time of transfer, the excess provision on transfer is written back to the profit and loss account in the year the amounts are received and only when the sum of cash received by way of initial consideration and / or redemption or transfer of Security Receipts (SRs) / Pass Through Certificates / other securities issued by ARCs is higher than the NBV of the loan at the time of transfer. Further, such reversal shall be limited to the extent to which cash received exceeds the NBV of the loan at the time of transfer. In case, SRs guaranteed by the Government of India are received as a part of sale consideration, the excess provision to the extent of Face Value of Security Receipts guaranteed by Government of India is written back in the year of transfer/sale.

B) Recording/ Presentation

Provisions created against individual accounts as per RBI guidelines are not netted in the individual account. For presentation in financial statements, provision created for NPA is netted against gross amount of advance without adjusting the same at individual account level. Provision held against an individual account is adjusted against individual account's balance only at the time of write off of the account.

V. Floating Provisions

The bank shall maintain floating provisions as per the guidelines outlined in Recovery Policy. The floating provisions are utilized only for contingencies under extraordinary circumstances specified in the policy after obtaining the approval of Board of Directors of the Bank and with prior permission of Reserve Bank of India.

VI. Country Risk

In addition to the provisions required to be held according to the asset classification status, provisions are held for individual country exposure (other than for home country). The countries are categorized into seven risk categories namely, insignificant, low, moderate, high, very high, restricted and off-credit as per Export Credit Guarantee Corporation of India Limited guidelines and provision is made on exposures exceeding 180 days on a graded scale ranging from 0.25% to 100%. For exposures with contractual maturity of less than 180 days, 25% of the normal provision requirement is held. If the country exposure (net) of the Bank in respect of each country does not exceed 1% of the total funded assets, no provision is maintained on such country. The provision is reflected in Schedule -5 of the Balance Sheet under "Other liabilities and Provisions- Others".

VII. Investments

i) Classification

In accordance with the RBI guidelines, the separation of the total investment portfolio is made on the basis of investment objectives and by type of investment. When the investment objectives are taken into consideration, Investments are classified as:

- a. Held to Maturity (HTM)
- b. Available for Sale (AFS)
- c. Fair Value Through Profit & Loss (FVPTL) with a sub-category named Held for Trading (HFT).

The category of the investment should be recorded at the time of acquisition itself.

The Bank shall continue to present the investments in the Balance Sheet as set out in The Third Schedule to the BR Act (Form A, Schedule 8 - Investments) as under:

- i) Government securities; (ii) Other approved securities; (iii) Shares; (iv) Debentures & Bonds; (v) Subsidiaries and / or joint ventures and (vi) Others (to be specified)

a) Held To Maturity

Securities that fulfil the following conditions shall be classified under HTM:

- (i) The security is acquired with the intention and objective of holding it to maturity, i.e., the financial assets are held with an objective to collect the contractual cash flows; and
- (ii) the contractual terms of the security give rise to cash flows that are solely payments of principal and interest on principal outstanding ('SPPI criterion') on specified dates.

b) AFS

Securities that meet the following conditions shall be classified under AFS:

- (i) The security is acquired with an objective that is achieved by both collecting contractual cash flows and selling securities; and

- (iii) The contractual terms of the security give rise to cash flows that are solely payments of principal and interest on principal outstanding on specified dates.

c) FVTPL

Securities that do not qualify for inclusion in HTM or AFS are classified under FVTPL with a subcategory named HFT. Any instrument that is held for one or more of the following purposes is designated as a HFT instrument: a. short-term resale; b. profiting from short-term price movements; c. locking in arbitrage profits; or d. hedging risks that arise from instruments meeting (a), (b) or (c) above.

ii) Initial recognition

All investments shall be measured at fair value on initial recognition. Unless facts and circumstances suggest that the fair value is materially different from the acquisition cost, it shall be presumed that the acquisition cost is the fair value.

iii) Subsequent Measurement

HTM

- a) Securities held in HTM shall be carried at cost and shall not be marked to market (MTM) after initial recognition. However, they shall be subject to income recognition, asset classification and provisioning norms.
- b) Any discount or premium on the securities under HTM shall be amortized over the remaining life of the instrument. The amortized amount shall be reflected in the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8: 'Investments'

AFS

- a) The securities held in AFS shall be fair valued at least on a quarterly basis, if not more frequently. Any discount or premium on the acquisition of debt securities under AFS shall be amortized over the remaining life of the instrument. The amortized amount shall be reflected in the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8: 'Investments'.
- b) The valuation gains and losses across all performing investments, irrespective of classification (i.e., Government securities, Other approved securities, Bonds and Debentures, etc.), held under AFS shall be aggregated. The net appreciation or depreciation shall be directly credited or debited to a reserve named AFS Reserve without routing through the Profit & Loss Account.
- c) Upon sale or maturity of a debt instrument in AFS category, the accumulated gain/ loss for that security in the AFS-Reserve shall be transferred from the AFS Reserve and recognized in the Profit and Loss Account under item II Profit on sale of investments under Schedule 14-Other Income.
- d) In the case of equity instruments designated under AFS at the time of initial recognition, any gain or loss on sale of such investments shall be transferred from AFS-Reserve to the Capital Reserve.

FVTPL

- (a) The securities held in FVTPL shall be fair valued and the net gain or loss arising on such valuation shall be directly credited or debited to the Profit and Loss Account. Securities that are classified under the HFT sub-category within FVTPL shall be fair valued on a daily basis, whereas other securities in FVTPL shall be fair valued at least on a quarterly, if not on a more frequent basis.
- (b) Any discount or premium on the acquisition of debt securities under FVTPL shall be amortized over the remaining life of the instrument. The amortized amount shall be reflected in the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8: 'Investments'.
- c) Securities under FVTPL shall be subject to income recognition, asset classification and provisioning norms.

iv) Reclassifications between categories

Re-classification would be permitted only under exceptional circumstances. Such re-classification would require a prior approval of the Board of Directors and the Department of supervision of RBI. Re-classification should be applied prospectively from the re-classification date and the details of such reclassification (including the re-classification adjustments) shall be disclosed in the notes to the financial statements.

Accounting treatment on re -classification (Para 5.3 of Treasury Management Policy)

From HTM to AFS

- The fair value measured at the re-classification date shall be the revised carrying value
- Any gain or loss arising from a difference between the revised carrying value and the previous carrying value shall be recognized in AFS -Reserve

From HTM to FVTPL

- The fair value measured at the re-classification date shall be the revised carrying value
- Any gain or loss arising from a difference between the revised carrying value and the previous carrying value of the

investments shall be recognized in the Profit and Loss account under item III: 'Profit on revaluation of investments' under Schedule 14: 'Other Income'

From AFS to HTM

- The investments are re-classified at its fair value at the reclassification date. However, the cumulative gain / loss previously recognized in the AFS - Reserve shall be withdrawn therefrom and adjusted against the fair value of the investments at the reclassification date to arrive at the revised carrying value. Thus, the revised carrying value shall be the same as if the bank had classified the investment in HTM ab initio itself.

From AFS to FVTPL

- The investments shall continue to be measured at fair value. The cumulative gain or loss previously recognized in AFS -Reserve shall be withdrawn therefrom and recognized in the Profit and Loss Account, under item III: 'Profit on revaluation of investments' under Schedule 14: 'Other Income'.

From FVTPL to HTM or AFS

- The carrying amount representing the fair value at the reclassification date remains unchanged

v) Sale of investments from HTM

Any profit or loss on the sale of investments in HTM shall be recognized in the Profit and Loss Account under Item II of Schedule 14: 'Other Income'. The profit on sale of an investment in HTM shall be appropriated below the line from the Profit and Loss Account to the 'Capital Reserve Account'. The amount so appropriated shall be net of taxes and the amount required to be transferred to Statutory Reserve.

vi) Valuation of Investments (Para 5.4 of Treasury Management Policy)

The fair value for the purpose of initial recognition and periodical valuation of investments shall be determined as per the valuation norms.

Quoted Securities

The fair value for the quoted securities shall be the prices declared by the Financial Benchmarks India Private Ltd. (FBIL) in accordance with the RBI circular FMRD.DIRD.7/14.03.025/2017-18 dtd March 31, 2018, as amended from time to time. For securities whose prices are not published by FBIL, the fair value of the quoted security shall be based upon quoted price as available from trades / quotes on recognized stock exchanges, reporting platforms or trading platforms authorized by RBI / SEBI or prices declared by the Fixed Income Money Market and Derivatives Association of India (FIMMDA).

a. Unquoted SLR Securities

- Treasury Bills shall be valued at carrying cost.
- Unquoted Central / State Government securities shall be valued on the basis of the prices / YTM rates published by the FBIL.
- Other approved securities shall be valued applying the YTM method by marking them up by 25 basis points above the yields of the Central Government securities of equivalent maturity put out by FBIL.

b. Unquoted Non-SLR securities

i) Unquoted debentures and bonds

- Valued by applying the appropriate mark -up over the YTM rates for Central Government Securities as put out by FBIL / FIMMDA subject to the following:

The mark-up applied shall be determined based on the ratings assigned to the debenture / bonds by the credit rating agencies and shall be subject to the following:

- The mark up shall be at least 50 basis points above the rate applicable to a Central Government security of equivalent maturity for rated debentures / bonds.
- The mark-up for unrated debentures or bonds shall not be less than the mark-up applicable to rated debentures or bonds of equivalent maturity.

Provided that the mark -up for the unrated debentures or bonds should appropriately reflect the credit risk borne by the bank.

- Where the debentures / bonds are quoted and there have been transactions within 15 days prior to the valuation date, the value adopted shall not be higher than the rate at which the transaction has been recorded on the Exchanges / trading platforms / reporting platforms authorized by RBI / SEBI
- Ujjwal DISCOM Assurance Yojana (UDAY) bonds and bonds issued by state distribution companies (DISCOMs) under financial restructuring plan.
 - UDAY bonds shall be valued on basis of prices / yields published by FBIL.

- ii) State Government guaranteed bonds issued and serviced by DISCOM shall be valued by applying a mark -up of 75 basis points on YTM rates for Central Government Securities of equivalent maturities as published by FBIL.
- iii) other bonds issued and serviced by DISCOMs shall be valued by applying a mark-up of 100 basis points on YTM rates for Central Government Securities of equivalent maturities as published by FBIL.
- iv) Bonds issued and serviced by the State Government shall be valued by applying a mark-up of 50 basis points on YTM rates for Central Government Securities of equivalent maturities as published by FBIL.
- d) Special securities, which are directly issued by Government of India, and which do not carry SLR status shall be valued at a spread of 25 basis points above the corresponding yield on Central Government securities of equivalent maturity.
- e) Zero Coupon Bonds (ZCBs): In the absence of market value, the ZCBs shall be marked to market with reference to the present value of the ZCB. The fair value so determined should be compared with the carrying cost to determine valuation gain or loss.

ii) Preference shares

- a) When a preference share has been traded on exchange within 15 days prior to the valuation date, the value shall not be higher than the price at which the share was traded.
- b) The valuation of unquoted preference shares shall be done on YTM basis with appropriate mark-up over the YTM rates for Central Government Securities of equivalent maturity put out by the FBIL subject to such preference share not being valued above its redemption value. The mark -up shall be graded according to the rating assigned to the preference shares by the rating agencies and shall be subject to the following:
 - i. The mark-up cannot be negative. i.e., the YTM rate shall not be lower than the coupon rate / YTM for a Central Government India security of equivalent maturity.
 - ii. The rate used for the YTM for unrated preference shares shall not be less than the rate applicable to rated preference shares of equivalent maturity and shall appropriately reflect the credit risk borne by the bank.
 - iii. Where the investment in preference shares is made as part of a resolution, the mark-up shall not be lower than 1.5 percentage points.
- c) Where preference dividends / coupons are in arrears, no credit should be taken for accrued dividends / coupons and the value determined as above on YTM basis should be discounted further by at least 15 per cent if arrears are for one year, 25 per cent if arrears are for two years, so on and so forth (i.e., with 10 per cent increments). The overarching principle should be that valuation shall be based on conservative assessment of cash flows with appropriate discount rates to reflect the risk.
- d) Investments in preference shares as part of the project finance shall be valued at par for a period of two years after commencement of production or five years after subscription whichever is earlier.

iii) Equity Shares

Equity shares for which current quotations are not available i.e., which are classified as illiquid or which are not listed on a recognized exchange, the fair value shall be the break-up value (without considering 'revaluation reserves', if any) which is to be ascertained from the company's latest audited balance sheet. The date as on which the latest balance sheet is drawn up shall not precede the date of valuation by more than 18 months. In case the latest audited balance sheet is not available or is more than 18 months old, the shares shall be valued at ₹1 per company. Before Half an hour average (BHAV) price on the BSE and in absence of trading in BSE, BHAV price of NSE for the day / previous trading day shall be taken for valuation of equity and if BSE/NSE quotes are not available, quotes of other exchange /s may be taken. Equity shares for which current quotations are not available or where the shares are not quoted on the stock exchanges should be valued at break-up value which is to be ascertained from the company's latest balance sheet (which should not be more than 18 months prior to the date of valuation). In case the latest balance sheet is not available the shares are to be valued at Re.1 per company.

iv) Mutual Funds Unit (MF Units)

- a) Investment in unquoted MF units shall be valued on the basis of the latest re-purchase price declared by the MF in respect of each scheme.
- b) In case of funds with lock -in period or any other Mutual fund, where repurchase price / market quote is not available, units shall be valued at Net Asset Value (NAV) of the scheme. If NAV is not available, these shall be valued at cost, till the end of the lock -in-period.

v) Commercial Paper

Commercial paper shall be valued at the carrying cost.

vi) Investment in Security Receipts (SRs) and other instruments issued by an Asset Reconstruction Company (ARC)

In respect of investments in SRs and other instruments issued by ARCs, the requirements as per the Transfer of Loan Exposures Directions, 2021, as amended from time to time, should be followed.

vii) Non-Performing Investments (NPI) (Para 8 of Treasury Management Policy)

The criterion used to classify an asset as Non-Performing Asset (NPA) as per the extant Prudential Norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances shall be used to classify an investment as a Non-Performing Investment (NPI). Similarly, an NPI shall only be upgraded to standard when it meets the criteria specified in the IRACP norms.

viii) Repurchase (REPO) and Reverse Repurchase (Reverse REPO) transactions

The securities sold and purchased under Repo/ Reverse Repo (including transactions conducted under Liquidity Adjustment Facility (LAF) and Marginal Standing Facility (MSF) with RBI) are accounted as collateralized lending and borrowing transactions. However, securities are transferred as in the case of normal outright sale/ purchase transactions and such movement of securities is reflected using the Repo/Reverse Repo Accounts and Contra entries. The above entries are reversed on the date of maturity. Costs and revenues are accounted as interest expenditure/ income, as the case may be. Balance in Repo Account is classified under Schedule 4 (Borrowings).

All type of reverse repos with the Reserve Bank including those under Liquidity Adjustment Facility shall be presented under sub-item (ii) 'In Other Accounts' of item (II) 'Balances with Reserve Bank of India' under Schedule 6 'Cash and balances with Reserve Bank of India'. Reverse repos with banks and other institutions having original tenors up to and inclusive of 14 days shall be classified under item (ii) 'Money at call and short notice' under Schedule 7 'Balances with banks and money at call and short notice'. Reverse Repo of original tenors more than 14 days shall be classified under Schedule 9 – Advances.

ix) Short Sales

The Bank undertakes short sale transactions in Central Government dated securities in accordance with RBI guidelines. The short position is reflected as the amount received on sale and is classified under 'Other Liabilities'. The short position is marked to market and resultant mark-to-market gain/losses are accounted for as per the relevant RBI guidelines for valuation of investments.

VIII. Fixed Assets

- An item of Fixed Assets that qualify for recognition as an asset are initially recognized and measured at cost.
- After initial recognition, the Bank follows the Revaluation Model for Land and Buildings and the Cost model for other fixed assets.
- Fixed Assets following 'Cost Model' are carried at Cost less any accumulated depreciation/ amortization and any accumulated impairment losses if any.
- Fixed Assets following 'Revaluation Model' are carried at Revalued Amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation/ amortization and any accumulated impairment losses.
- Revaluations of Land and Buildings are performed once in three years to ensure that the carrying amount does not differ materially from that which would be determined using fair value.
- An increase in the carrying amount of Land and Buildings arising on revaluation is credited to owners' interest under "Revaluation Reserve". However, the increase is recognized in the statement of profit and loss to the extent that it reverses a decrease in the revaluation of same asset previously recognized in the profit and loss account. A decrease in the carrying amount of an item of an asset arising on revaluation is charged to the statement of profit and loss. However, the decrease is debited directly to owners' interest under the heading "Revaluation Surplus" to the extent of any credit balance existing in the Revaluation Reserve in respect of that asset.
- Revaluation Surplus included in owners' interest in respect of Land and Buildings is transferred to "Revenue Reserves" when the asset is retired or disposed of. The difference between the depreciation based on the revalued carrying amount and the depreciation based on original cost is also transferred to "Revenue Reserves" from "Revaluation Reserve". However, such transfers from "Revaluation Reserve" to "Revenue Reserve" are not made through the statement of profit or loss.
- Cost of an item of Fixed Assets includes a) purchase price, including freight, duties and taxes and incidental expenses, after deducting trade discounts and rebates.; (b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management viz. cost of employee benefits

(as defined in AS-15 'Employee Benefits') arising directly from the construction or acquisition of the item of Fixed Assets, cost of site preparation, initial delivery and handling costs, installation and assembly costs, professional fees, cost of testing whether the asset is functioning properly; (c) Taxes like GST paid on fixed assets (GST portion on which ITC was not availed). (d) the initial estimate of the cost of dismantling, removing the item and restoring the site on which it is located, referred to as 'decommissioning, restoration and similar liabilities'

- Items costing less than ₹ 1,000 each are charged off in the year of purchase.
- Subsequent expenditure incurred on assets put to use is capitalized only when it increases the future economic benefit/ functional capability from/ of such assets.
- Depreciation on fixed assets is charged on a pro rata basis on a straight-line method on the estimated useful life of the asset in compliance with the Schedule II of the Companies Act, 2013. The residual value is considered as Nil. Depreciable amount of an asset is allocated on a systematic basis over the useful life of the asset.
- If expectations differ from previous estimates with respect to residual value, if any and useful life of the asset, such changes are accounted for as a change in accounting estimate in accordance with "AS-5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies".
- Method of depreciation used is assessed and reviewed at each financial year end and if there is a significant change in the pattern of consumption of the future economic benefits embodied in the asset, the method of depreciation is changed to reflect the changed pattern and such a change is accounted for and disclosed as a change in Accounting Estimate in accordance with "AS-5" Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies".
- Amount expended towards acquisition of Software is capitalized where it is reasonably estimated that the software has an enduring useful life. Software is amortized over an estimated useful life of 3 to 5 years on straight-line basis.
- Grant related to Specific Fixed Assets – Grant received from the Government/ other agencies related to depreciable assets are treated as deferred income which is recognized in the profit and loss statement on a systematic and rational basis over the useful life of the asset.
- Capital Work in Progress includes cost of fixed assets that are not ready for their intended use and includes advance paid to vendors to acquire the fixed assets.
- The fixed assets are depreciated at straight-line method based on useful life of the assets stated as under:

S.No.	Description of Fixed Assets	Useful life for Depreciation
1	Computer Software	3 to 5 Years
2	Server	6 years
3	Computer Hardware- desktops, laptops etc.	3 years
4	Electrical installations and equipment	10 years
5	Furniture and Fittings	10 years
6	Premises (Buildings)	60 years
7	Motor Vehicles	8 years

IX. Non-Banking Assets

Non-Banking Assets acquired in settlement of debts/dues are accounted at the lower of their cost or net realizable value.

X. Cash and Cash Equivalents

Cash and Cash Equivalents include cash in hand, balances with RBI and Balances with other banks/ institutions and money at call and short notice (including effects of changes in exchange rates on cash and cash equivalents in foreign currency). Cash flow statement is prepared under the indirect method.

XI. Transactions involving foreign exchange

- 1 Foreign Currency transactions are recorded on initial recognition in the reporting currency by applying the foreign currency amount, the exchange rate/notional rate whichever is applicable between the reporting currency and the foreign currency on the date of the transaction.
- 2 Foreign Currency Monetary items at balance sheet date are reported using the Foreign Exchange Dealers Association of India (FEDAI) monthly closing (spot/forward) rates.
- 3 Foreign Currency Non-Monetary items, which are carried at historical cost, are reported using the exchange rate on the date of the transaction.
- 4 Contingent Liabilities denominated in foreign currency are revalued using the exchange rate notified by FEDAI at the balance sheet date.

- 5 Outstanding foreign exchange spot and forward contracts held for trading at balance sheet date are revalued at the exchange rate notified by FEDAI for specified maturities and the resulting profit or loss is recognized in the statement of profit and loss.
- 6 Foreign Exchange forward contracts which are not intended for trading and are outstanding on the Balance sheet date, are revalued at FEDAI monthly closing spot/ forward rate.
- 7 For Investment Swap, the premium or discount arising at the inception of such contracts is amortized as expense or income over the life of the contract.
- 8 Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognized as income or as expense in the period in which they arise.
9. Gains/Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/losses are recognized in the statement of profit and loss.

XII. Derivative Transactions

The Bank recognizes all derivative contracts at fair value, on the date on which the derivative contracts are entered into and are measured at fair value as at the Balance Sheet or reporting dates. Derivatives are classified as assets when the fair value is positive (positive marked-to-market) or as liabilities when the fair value is negative (negative marked-to-market). Changes in the fair value of derivatives other than those designated as hedges are recognized in the Profit and Loss Account.

XIII. Segment Information

The disclosure relating to segment information is in accordance with the guidelines issued by RBI. The disclosure relating to segment information is in accordance with Accounting Standard 17 - "Segment Reporting" and as per RBI Master Direction on Financial Statements-Presentation and Disclosures ,2025. As per the Master Direction, the reportable segments are identified as 'Treasury', 'Corporate / Wholesale Banking', 'Retail Banking' and 'Other banking operations.

- Treasury' includes the entire investment portfolio of the Bank.
- Retail Banking include exposures which fulfil the four criteria of orientation, product, granularity, and low value of individual exposures for retail exposures laid down in Master Directions on Basel III Capital Regulations. Individual housing loans also form part of Retail Banking segment. Further, 'Digital Banking' has been identified as a sub-segment of the existing 'Retail Banking' segment as per RBI guidelines.
- Corporate / Wholesale Banking include all advances to trusts, partnership firms, companies, and statutory bodies, which are not included under 'Retail Banking'.
- Other Banking Business includes all other banking operations not covered under 'Treasury, 'Wholesale Banking' and 'Retail Banking' segments. It also includes all other residual operations such as para banking transactions / activities.

XIV. Earnings per Share

The Bank reports basic and diluted earnings per share in accordance with AS 20, Earnings per Share, as prescribed under Section 133 of the Companies Act, 2013. Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding for the year. Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share are computed using the weighted average number of equity shares and weighted average dilutive potential equity shares during the period.

XV. Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating lease. Lease payments for assets taken on operating lease are recognized as an expense in the Profit and Loss Account as per the lease terms.

XVI. Impairment of Assets

The carrying values of assets at each balance sheet date are reviewed for impairment, if any indication of impairment exists. If the carrying amount of the assets exceeds the estimated recoverable amount, impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the Profit and Loss Account, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a reduction in revaluation to the extent a revaluation reserve is available for that asset. When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Profit and Loss Account, to the extent the amount was previously charged to the Profit and Loss Account. In case of revalued assets such reversal is not recognized. Impairment of an item of Fixed Assets is determined by applying the Accounting Standard 28. Compensation from third parties for items of Fixed Assets that were impaired, lost or given up is included in the statement of profit and loss when the compensation becomes receivable.

XVII. Taxes on income

The income tax expense comprises current tax and deferred tax. Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences, being the difference between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax asset is recognized subject to prudence and judgment that realization is more likely than not. Deferred tax assets and liabilities are measured using tax rates under tax laws that have been enacted before the balance sheet date. Changes in deferred tax assets/ liabilities on account of changes in enacted tax rates are given effect to in the profit and loss account in the period of the change.

XVIII. Provisions, Contingent Liabilities and Contingent Assets

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. The Bank creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. No provision is recognized, and a disclosure of contingent liability is made when there is:

- i. a possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the Bank; or
- ii. a present obligation arising from a past event which is not recognized because:
 - it is not probable that an outflow of resources will be required to settle the obligation; or
 - a reliable estimate of the amount of the obligation cannot be made. The Bank does not expect the outcome of these contingencies to have a materially adverse effect on its financial results.

Provisions are determined based on management estimate required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. If a favourable Judgement/ Order is already there in respect of disputed items of taxation, no provisions or disclosures would be made in the books, in respect of such matters. The Bank does not create provision for the cases pending at first appellate authority and where there are no adverse judgements decided on such disputed matters by the High Court/Supreme Court/ Income Tax Appellate Tribunal/ or other such Appellate Authorities.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

XIX. Share Issue Expenses

Share issue expenses will be adjusted from the Share Premium Account in accordance with Section 52 of the Companies Act, 2013.

XX. Corporate Social Responsibility

Expenditure incurred towards Corporate Social Responsibility, in accordance with Companies Act, 2013 will be recognized in the Profit and Loss Account.

XXI. Priority Sector Lending Certificates (PSLC)

The fee paid for purchase of the PSLC would be treated as an 'Expense' and the fee received for the sale of PSLCs would be treated as 'Miscellaneous Income'.

XXII. Cash and cash equivalents:

Cash and cash equivalents include Cash in hand, Balances with RBI, and Balances with Other Banks/ institutions and money at call and short notice (including the effect of changes in exchange rates on cash and cash equivalents in foreign currency).

XXIII. Credit Card reward points

The Bank runs a loyalty program which seeks to recognise and reward customers based on their relationship with the Bank. Under the program, eligible customers are granted loyalty points redeemable in future, subject to certain conditions. The Bank estimates the probable redemption of such loyalty/reward on a quarterly. Provision for such costs is recognised in the Profit and Loss account and liabilities on the outstanding reward points as at the Balance Sheet date is included in 'Others' under Schedule 5 - Other liabilities and provisions.

SCHEDULE 18 - NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

The following disclosures to the financial statements are made in compliance to the RBI Directions on Financial Statements: Presentation and Disclosures issued vide circular No RBI/DOR/2025-26/167 DOR.ACC.REC. No.86/21.04.018/2025-26 dated 28th November 2025.

Amount in notes forming part of the financial statements for the year ended March 31, 2026 are denominated in Rupees Crore to conform to extant Reserve Bank of India (RBI) guidelines except, where stated otherwise.

1. Capital

1.1 Capital Infusion

During the year ended March, 31, 2026 there was no infusion of capital. The Bank, vide its Letter of Offer dated December 19, 2024, offered upto 14,16,86,767 equity shares of face value of ₹10 each at a price of ₹21.00 per equity share (including a premium of ₹11.00 per equity share) for an amount aggregating to ₹297.54 Crore on a rights basis to the eligible equity shareholders of the bank in the ratio of 14 rights equity shares for every 25 fully paid-up equity shares held by the eligible equity shareholders of the Bank on the record date, i.e., on December 27, 2024. The issue was fully subscribed and Bank has allotted 14,16,86,767 equity shares on February 4, 2025. Accordingly, share capital increased by ₹141.69 Crore in the Previous Year and share premium increased by ₹150.60 Crore in the Previous Year.

Paid-up Capital

(₹ in Crore)

Particulars	March 31, 2026	March 31, 2025
Opening Balance	394.70	253.01
Addition during the year	0.00	141.69
Closing Balance	394.70	394.70

Share Premium

(₹ in Crore)

Particulars	March 31, 2026	March 31, 2025
Opening Balance	1156.05	1005.45
Addition during the year	0.00	150.60
Closing Balance	1156.05	1156.05

Tier II Capital

During the year ended March 31, 2026, the Bank issued lower Tier II Bonds (ISIN-INE680A08099) of ₹150.00 Crore.

(₹ in Crore)

Particulars	March 31, 2026	March 31, 2025
Opening Balance as on April 1 st	0.00	150.00
Issue of Bond	150.00	0.00
Redemption of Bonds	0.00	150.00
Closing Balance as on March 31 st	150.00	0.00

1.2 Regulatory Capital

The Bank is subject to the Basel-III Capital Regulations stipulated by RBI which are based on the framework of the Basel Committee on Banking Supervision, effective from April 1, 2013. Bank has to comply with the regulatory limits and minima as prescribed under Basel III capital regulations, on an ongoing basis. As per the guidelines, the Bank is required to maintain a minimum Capital to Risk Weighted Assets Ratio (CRAR) of 9% (11.5% including Capital Conservation Buffer [CCB]), with minimum Common Equity Tier I (CET1) of 5.5% (8% including CCB). These guidelines on Basel III have been fully implemented. The minimum CRAR required to be maintained by the Bank as on 31st March 2026 is 11.50%.

Composition of Regulatory Capital

The computation of capital adequacy as per Basel-III framework is furnished below:

(₹ in Crore)

Sr. No.	Items	March 31, 2026	March 31, 2025
(i)	Common Equity Tier 1 capital (CET 1) (net of deductions, if any)	1339.77	1243.37
(ii)	Additional Tier 1 capital	-	-
(iii)	Tier 1 capital (i + ii)	1339.77	1243.37
(iv)	Tier 2 capital	233.46	71.65
(v)	Total capital (Tier 1 + Tier 2)	1573.23	1315.03

Sr. No.	Items	March 31, 2026	March 31, 2025
(vi)	Total Risk Weighted Assets (RWAs)	8316.23	8155.45
(vii)	CET 1 Ratio (CET 1 as a percentage of RWAs)	16.11%	15.24%
(viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	16.11%	15.24%
(ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	2.81%	0.88%
(x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	18.92%	16.12%
(xi)	Leverage Ratio	6.18%	6.76%
(xii)	Percentage of the shareholding of Government of India	-	-
(xiii)	Amount of paid-up equity capital raised during the year (including share premium) through: Rights Issue	-	292.29
(xiv)	Amount of non-equity Tier 1 capital raised during the year-	-	-
(xv)	Amount of Tier 2 capital raised during the year -	150.00	-

1.3 Reserves and Surplus

Statutory Reserve

During the year ended March 31, 2026, the Bank had appropriated ₹ 25.69 Crore (previous year: ₹ 16.66 Crore) out of profits for the year ended March 31, 2026 to the Statutory Reserve in terms of section 17 of the Banking Regulation Act, 1949 and RBI guidelines.

Revaluation Reserve

During the financial year ended March 31, 2026, the Bank revalued its land and premises and the increase in the net book value on revaluation of ₹ 7.10 Crore (previous year Nil) is credited to revaluation reserve. An amount equivalent to additional depreciation on the revalued portion of the assets of ₹ 0.95 Crore (previous year ₹ 0.73 Crore) was transferred from Revaluation Reserve to Revenue Reserve.

Capital Reserve

In the case of equity instruments designated under AFS at the time of initial recognition, any gain or loss on sale of such investments shall be transferred from AFS Reserve to the Capital Reserve. During the year an amount of ₹ 2.03 Crore (previous year ₹ 0.64 Crore) (net of taxes) was transferred to Capital Reserve on sale of such Equity instruments. Profit on sale of investments amounting to ₹ 3.63 Crore (previous year: Nil) in the Held to Maturity category was credited to the Profit and Loss Account and thereafter appropriated to capital reserve (net of taxes and the amount required to be transferred to Statutory Reserves).

Investment Fluctuation Reserve (IFR)

IFR is created with an amount not less than lower of net profit on sale of investments during the year or net profit for the year less mandatory appropriations until the amount of IFR is at least 2 percent of the AFS and FVTPL portfolio (including HFT), on a continuing basis. During the year, Bank has transferred ₹ 2.83 Crore (previous year Nil) to Investment Fluctuation Reserve Account.

AFS Reserve

The valuation gains and losses across all performing investments, irrespective of classification (i.e., Government securities, Other approved securities, Bonds and Debentures, etc.), held under AFS shall be aggregated and net appreciation or depreciation shall be directly credited or debited to AFS reserve without routing through the Profit & Loss Account. The Bank has transferred the loss on account of transitional adjustment due to fair valuation of equity instruments amounting to ₹ 13.38 Crore in the previous year. During the year the Bank has transferred the loss of ₹ 30.00 Crore (previous year ₹ 9.17 Crore) (net of taxes) to AFS Reserve account.

Revenue Reserve:

An amount of ₹ 0.95 Crore (previous year ₹ 0.73 Crore) was credited to revenue reserves, being depreciation on the revalued assets. During the year 2024-2025, in compliance with RBI's Master Direction on classification, Valuation and Operation of Investment Portfolio of commercial Banks (Directions) 2023 dated 12th September 2023, the investments of the Bank have been reclassified, wherever required and valued in accordance with the above-mentioned RBI direction. Consequent to this, transitional adjustment on account of such reclassification of securities was credited to General Reserve to the extent of ₹ 44.91 Crore, which includes reversal of provision for depreciation of ₹ 13.74 Crore, amortization of discount on HTM securities of ₹ 2.66 Crore (net of taxes) and transfer of investment reserve of ₹ 28.51 Crore. Since the Bank had complied with minimum regulatory requirements of IFR, the balance in Investment Reserve Account as of April, 1, 2024 amounting to ₹ 28.51 Crore was also transferred to General Reserve.

Draw down from reserves

The Bank has not undertaken any drawdown from reserves during the year ended March 31, 2026 and March 31, 2025, except:

1. An amount of ₹ 0.95 Crore (previous year ₹ 0.73 Crore) was drawn from revaluation reserves and credited to revenue reserves, being depreciation on the revalued assets.
2. In FY 2024-25, Bank had adjusted the share issue expenses of ₹ 5.25 Crore, incurred for the equity share capital raised through the Rights Issue during the year ended March 31, 2025, against the share premium account in terms of Section 52 of the Companies Act, 2013 and Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions dated August 30, 2021 as amended.

Tier II Bonds: During the year ended March 31, 2026, the Bank issued lower Tier II Bonds (ISIN-INE680A08099) of ₹150.00 Crore.

Particulars	March 31,2026	March 31,2025
Opening Balance as on April 1 st	0.00	150.00
Issue of Bond	150.00	0.00
Redemption of Bonds	0.00	150.00
Closing Balance as on March 31 st	150.00	0.00

2. ASSET LIABILITY MANAGEMENT

a) Maturity pattern of Assets and Liabilities

The distribution of Assets and Liabilities has been done as per the "Asset Liability Management Policy 2026" of the Bank

i) Maturity Pattern of certain items of assets and liabilities as at March 31, 2026: (₹ in Crore)

Particulars	Day 1	2 to 7 Days	8 to 14 Days	15 to 30 Days	31 days upto 2 months	Over 2 months upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 year and upto 5 years	Over 5 years	Total
Deposits	117.59	408.78	427.64	891.36	1469.27	1053.00	3127.39	5155.61	5690.18	255.51	46.56	18642.88
Advances (Net)	98.71	57.94	108.80	444.43	767.99	954.69	4,334.20	2,759.36	1,502.11	1,149.20	2,740.63	14918.06
Investments	0.00	0.00	0.00	0.00	15.03	30.11	228.31	363.20	816.19	833.98	1970.63	4257.44
Borrowings	0.00	486.63	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	150.00	736.63
Foreign currency Assets	277.52	6.16	0.64	-	4.73	14.11	49.18	65.82	-	-	-	418.16
Foreign currency Liabilities	180.74	6.21	1.18	1.27	4.96	9.75	47.58	65.00	20.88	0.25	0	337.82

ii) Maturity Pattern of certain items of assets and liabilities as at March 31, 2025: (₹ in Crore)

Particulars	Day 1	2 to 7 Days	8 to 14 Days	15 to 30 Days	31 days upto 2 months	Over 2 Months upto 3 months	Over 3 months and upto 6 Months	Over 6 Months and upto 1 year	Over 1 year and upto 3 year	Over 3 year and upto 5 years	Over 5 years	Total
Deposits	66.46	364.87	657.06	727.55	756.45	570.36	2322.13	4099.55	6200.18	209.34	39.51	16013.45
Advances (Net)	199.35	46.40	47.01	509.56	511.71	714.70	2,607.98	1,989.91	1,950.18	895.21	2,487.48	11,959.49
Investments (Gross)	0.00	0.00	19.99	0.00	129.67	265.93	448.86	793.49	1117.99	256.49	922.73	3955.15
Borrowings	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	200.00
Foreign currency Assets	40.82	1.28	-	1.88	17.95	8.52	21.82	47.16	0	0	0	139.43
Foreign currency Liabilities	23.33	0.04	0.12	2.10	2.45	3.96	9.71	55.52	20.80	0.78	0	118.80

b) Liquidity Coverage Ratio (LCR)
i) Quantitative Disclosure

Position of Liquidity Coverage Ratio computed based on Simple Average of daily observations of the 4 quarters for the year ended March 31, 2026 is furnished below:

(₹ In Crore)

	Quarter ended 30.06.25 (Reviewed)		Quarter ended 30.09.25 (Reviewed)		Quarter ended 31.12.25 (Reviewed)		Quarter ended 31.03.26 (Audited)	
	Total Un-weighted Value (average)	Total Weighted Value (average)	Total Un-weighted Value (average)	Total Weighted Value (average)	Total Un-weighted Value (average)	Total Weighted Value (average)	Total Un-weighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets								
1 Total High-Quality Liquid Assets (HQLA)		3935.21		4149.47		3786.20		3787.42
Cash Outflows								
2 Retail deposits and deposits from small business customers, of which:	11352.65	999.54	11682.08	1028.83	12032.97	1060.58	12535.95	1105.32
i) Stable Deposits	2714.51	135.73	2787.55	139.38	2854.36	142.72	2965.48	148.27
ii) Less stable deposits	8638.14	863.81	8894.53	889.45	9178.61	917.86	9570.46	957.05
3 Unsecured wholesale funding, of which:	2276.72	1725.21	2401.28	1838.64	2496.64	1925.68	2525.69	1953.42
i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
ii) Non-operational deposits (all counterparties)	2276.72	1725.21	2401.28	1838.64	2496.64	1925.68	2525.69	1953.42
iii) Unsecured debt								
4 Secured wholesale funding								
5 Additional requirements, of which	531.75	97.42	639.81	140.59	755.43	170.40	801.25	192.97
i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
- Credit and liquidity facilities	531.75	97.42	639.81	140.59	755.43	170.40	801.25	192.97
6 Other contractual funding obligations	127.96	127.96	131.14	131.14	141.34	141.34	174.44	174.44
7 Other contingent funding obligations	299.39	8.98	278.54	8.36	273.83	8.21	274.83	8.24
8 Total Cash Outflows		2959.12		3147.55		3306.21		3434.39
Cash Inflows								
9 Secured lending (e.g. reverse repos)	41.64	41.64	5.56	5.56	81.01	81.01	31.00	31.00
10 Inflows from fully performing exposures	462.25	231.12	478.68	239.34	459.99	229.99	488.34	244.17
11 Other cash inflows	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12 Total Cash Inflows	503.89	272.77	484.23	244.89	540.99	311.00	519.33	275.16
		Total adj Value		Total adj Value		Total adj Value		Total adj Value
13 Total HQLA		3935.21		4149.47		3786.20		3787.42
14 Total Net Cash Outflows		2686.35		2902.66		2995.21		3159.23
15 Liquidity Coverage Ratio (%)		146.49%		142.95%		126.41%		119.88%

Position of Liquidity Coverage Ratio computed based on Simple Average of daily observations of the 4 quarters for the year ended March 31, 2025 is furnished below:

	Quarter ended 30.06.24 (Reviewed)		Quarter ended 30.09.24 (Reviewed)		Quarter ended 31.12.24 (Reviewed)		Quarter ended 31.03.25 (Audited)	
	Total Un-weighted Value (average)	Total Weighted Value (average)	Total Un-weighted Value (average)	Total Weighted Value (average)	Total Un-weighted Value (average)	Total Weighted Value (average)	Total Un-weighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets								
1 Total High-Quality Liquid Assets (HQLA)		3604.33		3440.47		3039.76		3764.55
Cash Outflows								
2 Retail deposits and deposits from small business customers, of which:	10855.43	956.93	10653.51	935.46	11191.93	974.03	11173.97	984.92
i) Stable Deposits	2572.18	128.61	2597.76	129.89	2633.08	130.60	2649.58	132.48
ii) Less stable deposits	8283.25	828.32	8055.75	805.57	8558.85	843.43	8524.38	852.44
3 Unsecured wholesale funding, of which:	3238.53	1751.17	3014.02	1706.43	1981.80	1381.54	2017.22	1498.80
i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
ii) Non-operational deposits (all counterparties)	3238.53	1751.17	3014.02	1706.43	1981.80	1381.54	2017.22	1498.80
iii) Unsecured debt								
4 Secured wholesale funding	-	-	-	-	-	-	-	-
5 Additional requirements, of which	576.30	122.14	605.89	98.48	617.94	110.33	555.91	105.05
i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
iii) Credit and liquidity facilities	576.30	122.14	605.89	98.48	617.94	110.33	555.91	105.05
6 Other contractual funding obligations	102.28	102.28	106.44	106.44	139.41	131.13	192.40	192.40
7 Other contingent funding obligations	374.99	11.25	355.49	10.66	350.43	10.88	313.98	9.42
8 Total Cash Outflows		2943.78		2857.48		2607.90		2790.58
Cash Inflows								
9 Secured lending (e.g. reverse repos)	35.77	35.77	0	0	0	0	196.47	196.47
10 Inflows from fully performing exposures	450.57	225.28	469.03	234.52	534.75	236.22	470.09	235.04
11 Other cash inflows	0	0	95.44	95.44	350.00	320.81	0	0
12 Total Cash Inflows	486.34	261.06	564.47	329.96	884.75	557.03	666.56	431.52
		Total adj Value		Total adj Value		Total adj Value		Total adj Value
13 Total HQLA		3604.33		3440.47		3039.76		3764.55
14 Total Net Cash Outflows		2682.72		2527.53		2050.88		2359.07
15 Liquidity Coverage Ratio (%)		134.35%		136.12%		148.22%		159.58%

ii) Qualitative Disclosure

The Bank measures and monitors the LCR in line with the Reserve Bank of India's circular dated November 28, 2025 on "Reserve Bank of India (Commercial Banks – Asset Liability Management) Directions, Chapter V- Liquidity Coverage Ratio (LCR)". The LCR guidelines aim to ensure that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLAs) that can be converted into cash to meet its liquidity needs for a 30-calendar day time horizon under a significantly severe liquidity stress scenario. At a minimum, the stock of liquid assets should enable the bank to survive until day 30 of the stress scenario, by which time it is assumed that appropriate corrective actions can be taken. Banks are required to maintain HQLA of a minimum of 100% of its Net Cash Outflows. The adequacy in the LCR maintenance is an outcome of a conscious strategy of the Bank towards complying with LCR mandate ahead of the stipulated timelines. The maintenance of LCR, both on end of period and on an average basis, has been on account of multiple factors viz, increases in excess SLR, existing eligibility in corporate bond investments, increase in retail deposits and increase in non-callable deposits. Unweighted values are calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows) except where otherwise mentioned in the circular and LCR template. Weighted values are calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates (for inflows and outflows). Board of Directors of the Bank has empowered ALCO (Senior Management Executive Committee) to monitor and strategize the Balance Sheet profile of the Bank. The Bank has been maintaining HQLA primarily in the form of SLR investments over and above mandatory requirement; Certificate of Deposits issued by Banks with rating A1+ and above apart from regulatory dispensation allowed in the form of borrowing limit available through Marginal Standing Facility (MSF) and Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR). Average LCR for the Quarter ended March 31, 2026 is 119.88% (Quarter ended March 31, 2025: 159.58%), which is comfortably above RBI prescribed minimum requirement of 100%.

c) Net Stable Funding Ratio (NSFR)

i) Quantitative Disclosure

The following table sets out the unweighted and weighted value of the NSFR components of the Bank at March 31, 2026 (i.e., quarter-end observation).

(₹ in Crore)

Net Stable Funding Ratio- March 31, 2026						
(₹ in Crore)		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Items						
1	Capital: (2+3)	1432.34	-	-	188.24	1620.58
2	Regulatory capital	1432.34	-	-	150.00	1582.34
3	Other capital instruments		-	-	38.24	38.24
4	Retail deposits and deposits from small business customers: (5+6)	4706.81	2937.89	3031.23	2284.13	11815.53
5	Stable deposits	1154.33	826.98	667.34	380.80	2877.97
6	Less stable deposits	3552.48	2110.91	2363.89	1903.34	8937.56
7	Wholesale funding: (8+9)	673.62	2912.57	1788.52	269.86	2376.77
8	Operational deposits					
9	Other wholesale funding	673.62	2912.57	1788.52	269.86	2376.77
10	Other liabilities: (11+12)	1012.43	-	-	-	
11	NSFR derivative liabilities					
12	All other liabilities and equity not included in the above categories	1012.43	-	-	-	
13	Total ASF (1+4+7+10)	7825.20	5850.47	4819.75	2742.23	15812.88

Net Stable Funding Ratio- March 31, 2026						
(₹ in Crore)	Unweighted value by residual maturity				Weighted value	
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr		
RSF Items						
14	Total NSFR high-quality liquid assets (HQLA)	642.96	553.64	359.19	3529.68	211.95
15	Deposits held at other financial institutions for operational purposes	123.84	-	-	-	61.92
16	Performing loans and securities: (17+18+19+20+21+23)	-	6645.24	2752.46	4003.63	7719.62
17	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	442.57	279.01	-	205.89
19	Performing loans to nonfinancial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs of which:	-	6202.54	2472.40	2900.89	6778.67
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	122.76	79.79
21	Performing residential mortgages, of which:	0.00	0.13	1.05	1017.25	662.39
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	1017.25	661.21
23	Securities that are not in default and do not qualify as HQLA, including exchange traded equities	-	-	-	85.49	72.67
24	Other assets: (sum of rows 25 to 29)	-	2.05	-	2634.36	2636.12
25	Physical traded commodities, including gold					
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs					
27	NSFR derivative assets					
28	NSFR derivative liabilities before deduction of variation margin posted					
29	All other assets not included in the above categories	-	2.05	-	2634.36	2636.12
30	Off-balance sheet items				1068.85	47.65
31	Total RSF (14+15+16+24+30)	766.80	7200.93	3111.65	11236.52	10677.26
32	Net Stable Funding Ratio (%)					148.10%

Bank has complied with the regulatory requirements w.r.t NSFR.

The NSFR calculation of Dec 31, 2025 (i.e., Quarter end observation) is shown below:

(₹ in Crore)

Net Stable Funding Ratio December 31, 2025									
(₹ in Cr)		Unweighted value by residual maturity				Weighted Value			
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr				
ASF Items									
1	Capital: (2 + 3)	1257.56	-	-	176.71	1434.27			
2	Regulatory Capital	1257.56			150.00	1407.56			
3	Other capital instruments				26.71	26.71			
4	Retail deposits and deposits from small business customers: (5 + 6)	4389.02	2725.04	3003.47	2231.48	11259.23			

Net Stable Funding Ratio December 31, 2025						
(₹ in Cr)	Unweighted value by residual maturity				Weighted Value	
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr		
5 Stable deposits	1077.49	800.22	666.93	357.83	2757.35	
6 Less stable deposits	3311.53	1924.82	2336.54	1873.65	8501.88	
7 Wholesale funding: (8+9)	629.22	2203.05	2443.69	187.35	2289.90	
8 Operational deposits						
9 Other wholesale funding	629.22	2203.05	2443.69	187.35	2289.90	
10 Other liabilities: (11+12)	946.64	-	-	-	-	
11 NSFR derivative liabilities						
12 All other liabilities and equity not included in the above categories	946.64			-	-	
13 Total ASF (1+4+7+10)	7222.44	4928.09	5447.16	2595.54	14983.40	
RSF Items						
14 Total NSFR high-quality liquid assets (HQLA)	622.67	593.57	298.05	3425.62	218.71	
15 Deposits held at other financial institutions for operational purposes	209.62	-	-	-	104.81	
16 Performing loans and securities: (17+18+19+21+23)		5702.83	2608.83	4254.99	7450.73	
17 Performing loans to financial institutions secured by Level 1 HQLA						
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions		336.28	345.70		223.29	
19 Performing loans to nonfinancial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:		5366.19	2261.87	3024.73	6357.71	
20 With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk				136.72	88.87	
21 Performing residential mortgages, of which:		0.36	0.66	1114.24	771.12	
22 With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk		-	-	983.26	639.12	
23 Securities that are not in default and do not qualify as HQLA, including exchange traded equities				116.02	98.62	
24 Other assets: (sum of rows 25 to 29)		2.23	0.00	2475.67	2477.65	
25 Physical traded commodities, including gold						
26 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs						
27 NSFR derivative assets						
28 NSFR derivative liabilities before deduction of variation margin posted						
29 All other assets not included in the above categories		2.23	0.00	2475.67	2477.65	
30 Off-balance sheet items				1053.34	47.12	
31 Total RSF (14+15+16+24+30)	832.29	6298.63	2906.88	11209.59	10299.03	
32 Net Stable Funding Ratio (%)					145.48%	

Net Stable Funding Ratio September 30, 2025					
(₹ in Cr)	Unweighted value by residual maturity				Weighted Value
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Items					
1 Capital: (2+3)	1259.76	0	0	177.37	1437.13
2 Regulatory Capital	1259.76			150.00	1409.76
3 Other capital instruments				27.37	27.37
4 Retail deposits and deposits from small business customers: (5+6)	4380.54	2239.03	3066.82	2301.15	10929.29
5 Stable deposits	1044.80	733.21	669.31	362.77	2669.59
6 Less stable deposits	3335.73	1505.82	2397.51	1938.38	8259.70
7 Wholesale funding: (8+9)	557.81	2298.61	1965.48	267.80	2152.38
8 Operational deposits					
9 Other wholesale funding	557.81	2298.61	1965.48	267.80	2152.38
10 Other liabilities: (11+12)	789.47	-	-	-	-
11 NSFR derivative liabilities					
12 All other liabilities and equity not included in the above categories	789.47			-	-
13 Total ASF (1+4+7+10)	6987.57	4537.64	5032.30	2746.32	14518.79
RSF Items					
14 Total NSFR high-quality liquid assets (HQLA)	701.74	708.34	290.01	3541.76	233.88
15 Deposits held at other financial institutions for operational purposes	116.41	-	-	-	58.21
16 Performing loans and securities: (17+18+19+21+23)		4949.59	2202.62	4006.96	6609.32
17 Performing loans to financial institutions secured by Level 1 HQLA					
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions		342.67	258.77		180.79
19 Performing loans to nonfinancial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:		4606.56	1943.19	2742.72	5575.76
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk				152.15	98.90
21 Performing residential mortgages, of which:		0.36	0.66	1114.24	725.28
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		0	0	1114.24	724.26
23 Securities that are not in default and do not qualify as HQLA, including exchange traded equities				150.00	127.50
24 Other assets: (sum of rows 25 to 29)		2.52	0.00	2784.09	2786.40
25 Physical traded commodities, including gold					
26 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs					
27 NSFR derivative assets					
28 NSFR derivative liabilities before deduction of variation margin posted					
29 All other assets not included in the above categories		2.52	0.00	2784.09	2786.40
30 Off-balance sheet items				1117.20	50.48
31 Total RSF (14+15+16+24+30)	818.15	5660.45	2492.45	11450.01	9738.28
32 Net Stable Funding Ratio (%)					149.09%

Net Stable Funding Ratio June 30, 2025					
(₹ in Cr)	Unweighted value by residual maturity				Weighted Value
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Items					
1 Capital: (2+3)	1285.71	0	0	177.77	1463.48
2 Regulatory Capital	1285.71			150.00	1435.71
3 Other capital instruments				27.77	27.77
4 Retail deposits and deposits from small business customers: (5+6)	4135.62	1888.49	3139.22	2420.32	10562.33
5 Stable deposits	1001.41	702.60	647.92	388.99	2603.87
6 Less stable deposits	3134.21	1185.89	2491.30	2031.33	7958.46
7 Wholesale funding: (8+9)	539.60	2850.66	1343.03	224.90	2133.34
8 Operational deposits					
9 Other wholesale funding	539.60	2850.66	1343.03	224.90	2133.34
10 Other liabilities: (11+12)	694.86	-	-	-	-
11 NSFR derivative liabilities					
12 All other liabilities and equity not included in the above categories	694.86			-	-
13 Total ASF (1+4+7+10)	6655.80	4739.15	4482.25	2822.99	14159.15
RSF Items					
14 Total NSFR high-quality liquid assets (HQLA)	770.86	826.71	557.64	3086.24	217.11
15 Deposits held at other financial institutions for operational purposes	82.28	-	-	-	41.14
16 Performing loans and securities: (17+18+19+21+23)		4905.13	1843.57	3977.70	6329.91
17 Performing loans to financial institutions secured by Level 1 HQLA					
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions		605.21	110.50		146.03
19 Performing loans to nonfinancial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:		4299.76	1732.34	2762.52	5337.26
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk				134.42	87.37
21 Performing residential mortgages, of which:		0.16	0.83	1064.67	718.69
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		0.16	0.83	988.51	642.53
23 Securities that are not in default and do not qualify as HQLA, including exchange traded equities				150.51	127.93
24 Other assets: (sum of rows 25 to 29)		0.39	2.05	2647.62	2651.05
25 Physical traded commodities, including gold					
26 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs					
27 NSFR derivative assets					
28 NSFR derivative liabilities before deduction of variation margin posted					
29 All other assets not included in the above categories		0.39	2.05	2647.62	2651.05
30 Off-balance sheet items				918.83	40.24
31 Total RSF (14+15+16+24+30)	853.14	5732.23	2403.26	10630.39	9279.46
32 Net Stable Funding Ratio (%)					152.59%

The NSFR calculation at March 31,2025 (i.e., quarter end observation) is shown below:

(₹ in Crore)

Net Stable Funding Ratio- March 31, 2025						
(₹ in Crore)		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Items						
1	Capital and other liabilities above 1 year: (2+3)	1285.61	-	-	27.70	1313.31
2	Regulatory capital	1285.61				1285.61
3	Other capital instruments and other liabilities with residual maturity above 1 year	-			27.70	27.70
4	Retail deposits and deposits from small business customers: (5+6)	4249.00	1800.09	2472.88	2906.55	10420.15
5	Stable deposits	984.79	671.70	562.33	470.57	2554.92
6	Less stable deposits	3264.21	1128.40	1910.55	2435.98	7865.22
7	Wholesale funding: (8+9)	397.94	2485.04	1438.52	235.73	1937.52
8	Operational deposits					
9	Other wholesale funding	397.94	2485.04	1438.52	235.73	1937.52
10	Other liabilities: (11+12)	637.87	-	-	-	-
11	NSFR derivative liabilities	-	-	-	-	-
12	All other liabilities and equity not included in the above categories	637.87	-	-	-	-
13	Total ASF (1+4+7+10)	6570.42	4285.14	3911.40	3169.98	13670.98
RSF Items						
14	Total NSFR high-quality liquid assets (HQLA)	992.39	739.93	715.08	2317.56	203.55
15	Deposits held at other financial institutions for operational purposes	87.43	-	-	-	43.72
16	Performing loans and securities: (17+18+19+21+23)		4572.95	1978.93	3966.18	6296.06
17	Performing loans to financial institutions secured by Level 1 HQLA					
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions		395.24	312.26		215.42
19	Performing loans to nonfinancial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs of which		4177.55	1665.84	2803.32	5277.58
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk				134.70	87.56
21	Performing residential mortgages, of which:		0.16	0.83	1064.67	719.61
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		0.16	0.83	985.90	640.84
23	Securities that are not in default and do not qualify as HQLA, including exchange traded equities				98.19	83.46
24	Other assets: (sum of rows 25 to 29)		0.27	2.73	2563.49	2567.48
25	Physical traded commodities, including gold					
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs					
27	NSFR derivative assets					
28	NSFR derivative liabilities before deduction of variation margin posted					
29	All other assets not included in the above categories		0.27	2.73	2563.49	2567.48
30	Off-balance sheet items				879.51	37.90
31	Total RSF (14+15+16+24+30)	1079.82	5313.15	2696.74	9726.74	9148.71
32	Net Stable Funding Ratio (%)					149.43%

ii) Qualitative Disclosure

The Net Stable Funding Ratio (NSFR) is one of Basel Committee's key reforms to promote a more resilient banking sector. The NSFR will require banks to maintain a stable funding profile in relation to the composition of their assets and off-balance sheet activities. A sustainable funding structure is intended to reduce the likelihood that disruptions to a bank's regular sources of funding will erode its liquidity position in a way that would increase the risk of its failure and potentially lead to broader systemic stress. The NSFR limits overreliance on short-term wholesale funding, encourages better assessment of funding risk across all on- and off-balance sheet items, and promotes funding stability. The Bank is required to maintain the NSFR on an ongoing basis on a standalone Bank level and on a Group level. The minimum NSFR requirement set out in the RBI guideline for the standalone Bank and for Group effective October 1, 2021 is 100%. The Bank has complied with the regulatory requirements with respect to NSFR as of 31 March 2026.

NSFR Calculation Methodology	RBI prescribed minimum NSFR	Bank's NSFR for the Quarter ended March 31, 2026
NSFR= (Available amount of Stable funding) / (Required amount of Stable funding)	100%	148.10%

Bank has complied with regulatory requirements with respect to NSFR for all the Quarters for FY 2025-26 and FY 2024-25.

3. INVESTMENTS

a) Composition of Investment Portfolio

As the Bank has no subsidiaries, Associates & Joint Ventures and hence no related investments, those columns are not included in the below table. (₹ in Crore)

	March 31, 2026					March 31, 2025				
	HTM		AFS	FVTPL		HTM		AFS	FVTPL	
	At cost	Fair Value		HFT	non-HFT	At cost	Fair Value		HFT	non-HFT
I. Investments in India	2723.67	2680.68	1435.50	98.27	0.00	2942.86	2929.66	957.79	54.50	-
(i) Government securities	2723.67	2680.68	1264.85	98.24	0.00	2942.86	2929.66	626.37	54.08	-
(ii) Other approved securities	-	-	-	-	-	-	-	-	-	-
(iii) Shares	-	-	11.19	.03	-	-	-	19.41	0.42	-
(iv) Debentures and Bonds	-	-	159.46	-	-	-	-	312.01	-	-
(v) Subsidiaries, associates and joint ventures										
(vi) Others	-	-	-	-	-	-	-	-	-	-
Total	2723.67	2680.68	1435.50	98.27	0.00	2942.86	2929.66	957.79	54.50	0.00
Less: Provisions for impairment / NPI	-	-	-	-	-	-	-	-	-	-
Net	2723.67	2680.68	1435.50	98.27	0.00	2942.86	2929.66	957.79	54.50	-
II. Investments outside India	-	-	-	-	-	-	-	-	-	-
(i) Government securities (including local authorities)	-	-	-	-	-	-	-	-	-	-
(ii) Subsidiaries, associates and joint ventures										
(iii) Other investments	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Less: Provisions for impairment / NPI	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-
Total investments (I+II)	2723.67	2680.68	1435.50	98.27	0.00	2942.86	2929.66	957.79	54.50	0.00

Bank has no investment outside India.

b) Fair value hierarchy of investment portfolio measured at fair value on balance sheet

(In ₹ Crore)

	March 31, 2026								March 31, 2025							
	AFS				FVTPL				AFS				FVTPL			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
I. Investments in India	1424.80	5.00	5.71	1435.50	98.27	-	-	98.27	626.98	312.01	18.80	957.79	54.50	-	-	54.50
(i) Government securities	1264.86	-	-	1264.86	98.24	-	-	98.24	626.37	-	-	626.37	54.08	-	-	54.08
(ii) Other approved securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Shares	0.48	5.00	5.71	11.19	0.03	-	-	0.03	0.61	-	18.80	19.41	0.42	-	-	0.42
(iv) Debentures and Bonds	159.46	-	-	159.46	-	-	-	-	-	312.01	-	312.01	-	-	-	-
(v) Subsidiaries, associates and joint ventures																
(vi) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	1424.80	5.00	5.71	1435.50	98.27	0.00	0.00	98.27	626.98	312.01	18.80	957.79	54.50	0.00	0.00	54.50
II. Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i) Government securities (including local authorities)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i) Subsidiaries, associates and joint ventures																
(iii) Other investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total investments (I+II)	1424.79	5.00	5.70	1435.50	98.27	-	-	98.27	626.98	312.01	18.80	957.79	54.50	-	-	54.50

c) Net gains / (losses) on Level 3 financial instruments recognized in AFS-Reserve and Profit and Loss Account

	March 31, 2026	March 31, 2025
Recognized in AFS-Reserve	2.25	0.97
Recognized in Profit and Loss Account	0.00	0.00

Note: This disclosure excludes Level 3 assets where the valuation of the asset is the price declared by FBIL / FIMMDA for that asset.

d) Details of sales made out of HTM: Details of sales made out of HTM shall be disclosed in the notes to accounts of the financial statements as per the format given below

	March 31, 2026	March 31, 2025
A Opening carrying value of securities in HTM	2942.74	2549.84
B Carrying value of all HTM securities sold during the year	438.27	0.00
C Less: Carrying values of securities sold under situations exempted from regulatory limit*	317.23	0.00
D Carrying value of securities sold (D=B-C)	121.04	0.00
E Securities sold as a percentage of opening carrying value of securities in HTM (E=D÷A)	4.1%	0.00
F Amount transferred to Capital Reserve in respect of HTM securities which were sold at a gain	3.87	0.00

e) Reclassification between categories of investments

During the year ended March 31, 2026, the bank has not reclassified investments from one category to another category

f) Movement of Provisions for non-performing investments (NPIs) and Investment Fluctuation Reserve (In ₹ Crore)

Particulars	March 31, 2026	March 31, 2025
i) Movement of provisions held towards NPIs		
a) Opening balance	0.00	115.96
b) Add: Provisions made during the year during the year	0.00	1.33
c) Less: Write off / write back of excess provisions	0.00	117.29
d) Closing balance	0.00	0.00
ii) Movement of Investment Fluctuation Reserve		
a) Opening balance	27.85	27.85
b) Add: Amount transferred during the year	2.82	0.00
c) Less: Drawdown	0.00	0.00
d) Closing balance	30.67	27.85
iii) Closing balance in IFR as a percentage of closing balance of investments in AFS and FVTPL (including HFT) category.	2.00%	2.75%

g) Non-SLR investment portfolio
i) Non-performing non-SLR investments (In ₹ Crore)

Sr. No.	Particulars	March 31, 2026	March 31, 2025*
a)	Opening balance	0.00	115.97
b)	Additions during the year since 1 st April	0.00	1.33
c)	Reductions during the above period	0.00	117.30
d)	Closing balance	0.00	0.00
e)	Total provisions held	0.00	0.00

*Book value of all the NPI investments was brought down to ₹ 1/- as per the RBI Master direction on Classification, Valuation and Operation of Investments.

ii) Issuer-wise composition of Non SLR investments- March 31, 2026 (In ₹ Crore)

Sl. No.	Issuer	Amount @	Extent of Private Placement #	Extent of 'Below Investment Grade' Securities #	Extent of Unrated Securities #*	Extent of Unlisted Securities #**
(i)	Public Sector Undertakings	70.55	70.55	0.00	0.00	0.00
(ii)	Financial Institutions	69.46	69.46	0.00	0.00	0.00
(iii)	Banks	19.45	19.45	0.00	0.00	0.00
(iv)	Private Corporates	11.21	11.21	0.00	6.21	10.70
(v)	Subsidiaries/Joint Ventures	0.00	0.00	0.00	0.00	0.00
(vi)	Others (Security Receipts & PTC)	0.00	0.00	0.00	0.00	0.00
(vii)	Less: Provision held towards NPI	0.00	0.00	0.00	0.00	0.00
	Total	170.67	170.67	0.00	6.21	10.70

Issuer-wise composition of Non SLR investments - March 31, 2025

Sl. No.	Issuer	Amount @	Extent of Private Placement #	Extent of 'Below Investment Grade' Securities #	Extent of Unrated Securities #*	Extent of Unlisted Securities #**
(i)	Public Sector Undertakings	188.58	188.58	0.00	0.00	0.00
(ii)	Financial Institutions	84.08	84.08	0.00	0.00	0.00
(iii)	Banks	39.35	39.35	0.00	0.00	0.00
(iv)	Private Corporates	19.83	19.41	0.00	14.83	19.41
(v)	Subsidiaries/Joint Ventures	0.00	0.00	0.00	0.00	0.00
(vi)	Others (Security Receipts & PTC)	0.00	0.00	0.00	0.00	0.00
(vii)	Less: Provision held towards NPI	0.00	0.00	0.00	0.00	0.00
	Total	331.84	331.42		14.83	19.41

- @The Total under column no: 1 is the total of investments included under the following categories in Schedule- 8 to the Balance Sheet;
 - i. Shares
 - ii. Debentures and Bonds
 - iii. Subsidiaries/Joint Ventures
 - iv. Others
- # Amounts reported under the columns 2, 3, 4 and 5 above are not mutually exclusive. —
- Excludes investments in equity shares and units of equity oriented mutual funds in line with extant RBI guidelines.
- ** Excludes investments in equity shares and units of equity oriented mutual funds in line with extant RBI guidelines.

h) i) Repo Transactions (in Face Value& Market Value)

The details of securities sold and purchased under repos and reverse repos (including tri-party repos) during the year ending March 31, 2026:

Particulars	Minimum Outstanding during the year ended March 31,2026		Maximum Outstanding during the year ended March 31,2026		Daily Average outstanding during the year ended March 31,2026		Outstanding as on March 31, 2026	
	FV	MV	FV	MV	FV	MV	FV	MV
Securities sold under repos								
a. Govt. Securities	30.00	31.25	595.42	591.60	252.10	248.95	390	374
b. Corporate Debt Securities								
c. Other Securities								
Securities purchased under reverse repos								
a. Govt. Securities	29.24	29.65	96.75	98.82	2.66	2.70	0.00	0.00
b. Corporate Debt Securities								
c. Other Securities								

Tri Party Repo Transactions

Particulars	Minimum Outstanding during the year ended March 31,2026	Maximum Outstanding during the year ended March 31,2026	Daily Average outstanding during the year ended March 31,2026	Outstanding as on March 31, 2026
Securities sold under Tri Party Repos (at market value)				
a. Govt. Securities	6.40	284.89	74.89	0.00
b. Corporate Debt Securities	-	-	-	-
c. Other Securities	-	-	-	-
Securities purchased under Tri Party Reverse Repo (at market value)				
a. Govt. Securities	19.99	174.95	2.48	0.00
b. Corporate Debt Securities	-	-	-	-
c. Other Securities	-	-	-	-

ii) **Outstanding Repo / Reverse Repo Transactions with RBI under Liquidity Adjustment Facility (LAF) and Marginal Standing Facility (MSF)**

Particulars	March 31, 2026	March 31, 2025
Repo under LAF / MSF	200.00	200.00
Reverse Repo under LAF / MSF	0.00	0.00

(i) **Government Security Lending (GSL) transactions (in market value terms)**

The Bank has not undertaken any Government Security Lending (GSL) transactions as at 31st March 2026 and as at 31st March 2025

a) **Investments kept as margin (in face value terms)**

Particulars	March 31, 2026	March 31, 2025
Collateralized Borrowing and Lending Obligation (CBLO)	311.30	150.30
Clearing of Securities	60.70	60.70
Forex forward segment – Default Fund with Clearing Corporation of India Limited	3.00	3.00
National Securities Clearing Corporation of India Ltd.	0.00	0.00
MCX-SX Clearing Corporation Ltd.	0.00	0.00
Real Time Gross Settlement System (RTGS)	250	250.00
Total	625.00	464.00

b) **Triparty Repo (TREPS) Transactions**

Triparty Repo (TREPS) is a repo contract where a third entity (apart from the borrower and lender), called a Triparty Agent, acts as an intermediary between the two parties to the repo to facilitate services like collateral selection, payment and settlement, custody and management during the life of the transaction.

Particulars	March 31, 2026	March 31, 2025
Outstanding TREPS Borrowing	0.00	0.00
Outstanding TREPS Lending	0.00	0.00
Amortized Book Value of securities given as collateral to CCIL	0.00	0.00

c) **Details of Book Value of Investments in Security Receipts**

Particulars	March 31, 2026	March 31, 2025
Backed by NPAs sold by the bank as underlying	0.00*	0.00
Backed by NPAs sold by the other Banks / Financial institutions / NBFC as underlying	0.00	0.00
Total	0.00	0.00

*Three NPI Security Receipts are outstanding as on 31.03.2026 with a book value of ₹ 1/- each

4. **ASSET QUALITY**

a) i) **Classification of Advances and provisions held as on March 31, 2026**

(₹ in Crore)

Particulars	Standard		Non-Performing		Total Non-Performing Advances	Total
	Total Standard advances	Sub standard	Doubtful	Loss		
Gross Standard Advances and NPAs						
Opening Balance	11841.55	104.49	160.69	98.93	364.11	12205.66
Add: Additions during the year					178.49	178.49
Less: reductions during the year					256.22	256.22

Particulars	Standard		Non-Performing		Total Non-Performing Advances	Total
	Total Standard advances	Sub standard	Doubtful	Loss		
Closing Balance	14842.66	105.05	124.69	56.64	286.38	15129.04
Reductions in Gross NPA due to						
i) Up gradation					113.14	111.78
ii) Recoveries (excluding recoveries from upgraded accounts)					41.03	42.39
iii) Technical/ Prudential write off loans					95.38	95.38
iv) Write off other than those under (iii) above.					6.67	6.67
Provisions (Excluding Floating Provisions)						
Opening balance of Provisions held@	46.44	31.92	109.89	97.47	242.25	288.69
Add: Fresh Provisions made during the year					98.68	98.68
Less: Excess provision reversed/ Write-off loans					132.59	132.59
Closing Balance of provisions held@	55.35	85.16	65.18	55.03	208.34	263.69
@ Counter Cyclical Provision of ₹ 2.97 Crores is factored in Total NPAs/Total columns under opening /closing balance only.						
Net NPAs						
Opening Balance#		71.00	50.58	0.00	117.94	117.94
Add: Fresh additions during the year					138.42	
Less: reductions during the year					180.96	
Closing Balance#		19.89	59.01	0.15	75.40	75.40
# General provision of ₹ 3.64 Crore (Counter Cyclical Provision of ₹ 2.97 Crores and floating provision of ₹ 0.67 Crores) is factored in Total NPAs/Total columns under opening /closing balance only.						
Floating Provisions						
Opening Balance						0.67
Add: Additional provisions made during the year						0.00
Less: Amount draw down during the year						0.00
Closing Balance						0.67
Technical Write off and the recoveries made thereon:						
Opening Balance						692.47
Add: Technical/Prudential write offs during the year						95.38
Less: Recoveries made from previously technical/ prudential written off accounts during the year						73.97
Closing Balance						713.88

ii) Classification of Advances and provisions held as on March 31, 2025

Particulars	Standard	Non-Performing			Total Non-Performing Advances	Total
	Total Standard advances	Sub stan- dard	Doubtful	Loss		
Gross standard Advances and NPAs						
Opening Balance	9975.69	104.61	185.30	131.30	421.21	10396.91
Add: Additions during the year					152.26	152.26
Less: reductions during the year					209.36	209.36

Particulars	Standard		Non-Performing		Total Non-Performing Advances	Total
	Total Standard advances	Sub standard	Doubtful	Loss		
Closing Balance	11841.55	104.49	160.69	98.93	364.11	12205.66
Reductions in Gross NPA due to						
i Up gradation					44.72	44.72
ii Recoveries (excluding recoveries from upgraded accounts)					96.85	96.85
iii Technical/ Prudential write off loans					52.42	52.42
iv Write off other than those under (iii) above.					15.37	15.37
Provisions (Excluding Floating Provisions)						
Opening balance of Provisions held@	43.07	21.97	137.25	130.18	292.37	335.44
Add: Fresh Provisions made during the year					94.20	94.20
Less: Excess provision reversed/ Write-off loans					144.33	144.33
Closing Balance of provisions held@	46.44	31.92	109.89	97.47	242.25	288.69
@ Counter Cyclical Provision of ₹ 2.97 Crores is factored in Total NPAs/Total columns under opening /closing balance only.						
Net NPAs						
Opening Balance#		82.51	47.60	0.00	126.47	126.47
Add: Fresh additions during the year					124.19	124.19
Less: reductions during the year					132.72	132.72
Closing Balance#		71.00	50.58	0.00	117.94	117.94
# General provision of ₹ 3.64 Crore (Counter Cyclical Provision of ₹ 2.97 Crores and floating provision of ₹ 0.67 Crores) is factored in Total NPAs/Total columns under opening /closing balance only.						
Floating Provisions						
Opening Balance						0.67
Add: Additional provisions made during the year						0.00
Less: Amount draw down during the year						0.00
Closing Balance						0.67
Technical Write off and the recoveries made thereon:						
Opening Balance						661.47
Add: Technical/Prudential write offs during the year						52.42
Less: Recoveries made from previously technical/ prudential written off accounts during the year						21.42
Closing Balance						692.47
iii) Ratios (in Percentage) -(to be computed as per applicable regulatory instructions)						
				31st March 2026	31st March 2025	
Gross NPA to Gross Advances				1.89	2.98	
Net NPA to Net Advances				0.51	0.99	
Provision Coverage Ratio (Including Technical write off)				92.46	88.84	
Provision Coverage Ratio (Excluding Technical write off)				73.67	67.61	

Additional provision for Non-Performing Assets

In addition to the minimum provisioning requirements prescribed by RBI under the Income Recognition, Asset Classification and Provisioning Directions, the Bank has maintained additional prudential provisions aggregating ₹59.95 Crore on NPAs, based on management's assessment of portfolio risks, recovery uncertainties and macroeconomic considerations. Considering the unsecured nature of certain exposures and uncertainties in recovery timelines, maintenance of additional prudential provision was considered a prudent measure. In addition to this, Bank has recognized full provision of ₹4.87 Crore as at 31 March 2026, in one account declared as fraud during Q4 FY 2026.

a) Sector-wise advances and Gross NPAs

(In ₹ Crore)

Sl. No.	Sector	March 31, 2026			March 31, 2025		
		Out-standing Total Advances	Gross NPAs	% Of Gross NPAs to Total Advances in that sector	Out-standing Total Advan ces	Gross NPAs	% Of Gross NPAs to Total Advances in that sector
A Priority Sector							
1	Agriculture and allied activities	3232.25	8.23	0.25%	2749.75	11.36	0.41%
1.a	Crop [#]	2093.31	3.19	0.15 %	1894.28	1.27	0.07 %
2	Advances to industries sector eligible as priority sector lending	750.29	64.91	8.65%	565.50	131.87	23.32%
3	Services	1188.59	69.85	5.88%	1065.11	116.18	10.91%
4	Personal loans (Other than above)	1200.43	67.81	5.65%	1540	33.24	2.16%
	Sub-total (A)	6371.56	210.80	3.28%	5920.36	292.65	4.94%
B Non-Priority Sector							
1	Agriculture and allied activities	0.00	0.00	0.00%	0.00	0.00	0.00%
2	Industry	1451.71	0.36	0.02%	1277.56	4.40	0.34%
2.a	Food Processing [#]	148.68	0.00	0.00%	80.62	0.00	0.00%
2.b	Gems & Jewellery [#]	264.32	0.00	0.00%	259.18	0.00	0.00%
2.c	Construction [#]	323.99	0.00	0.00%	201.73	0.00	0.00%
2.d	Infrastructure [#]	412.78	0.00	0.00%	505.69	3.59	0.71%
3	Services	3948.34	51.02	1.29%	3881.32	26.87	0.69%
3.a	Financial Intermediation [#]	2223.64	9.18	0.41%	2629.76	1.03	0.04%
3.b	Trade [#]	974.94	3.29	0.34%	651.03	7.44	1.14%
4	Personal loans (Other than above)	3357.43	24.20	0.73%	1126.42	40.19	3.57%
	Sub-total (B)	8757.48	75.58	0.87%	6285.30	71.46	1.14%
	Total (A+B)	15129.04	286.38	1.89%	12 205.66	364.11	2.98%

The above priority sector advance figure is excluding the investment in RIDF with NABARD and other regulators.

[#]Bank has disclosed in the format above, sub-sectors where the outstanding advances exceeds 10 percent of the outstanding total advances to that sector.

b) Overseas assets, NPAs and revenue

The Bank does not have any Overseas assets, NPAs and revenue as at 31st March 2026 and as at 31st March 2025

c) Particulars of Resolution Plan and Restructuring

Disclosures pursuant to Prudential Framework for Resolution of Stressed Assets issued by RBI vide Reserve Bank of India (Commercial Banks – Resolution of Stressed Assets) Directions, 2025

d) Details of borrowers subjected to restructuring under various schemes

(In ₹ Crore)

Category	Details	Agriculture and allied activities		Corporates (excluding MSME)		Micro, Small and Medium Enterprises		Retail (excluding agriculture and MSME)		Total	
		31.03.26	31.03.25	31.03.26	31.03.25	31.03.26	31.03.25	31.03.26	31.03.25	31.03.26	31.03.25
Standard	Number of borrowers	-	-	-	-	1	2	32	39	33	41
	Gross Amount	-	-	-	-	1.86	3.05	1.56	1.76	3.41	4.81
	Provision held*	-	-	-	-	1.86	3.05	0.16	0.18	2.01	3.23
Sub-standard	Number of borrowers	-	-	-	-	-	2	4	5	4	7
	Gross Amount	-	-	-	-	-	56.99	0.08	0.17	0.08	57.16
	Provision held	-	-	-	-	-	24.28	0.02	0.05	0.02	24.33
Doubt ful	Number of borrowers	-	-	-	-	3	1	13	9	16	10
	Gross Amount	-	-	-	-	4.73	1.16	1.83	2.33	6.56	3.49
	Provision held	-	-	-	-	2.28	1.16	1.63	1.71	3.91	2.88
Loss	Number of borrowers	1	1	-	-	6	5	54	52	61	58
	Gross Amount	0.02	0.02	-	-	0.17	3.93	1.83	1.90	2.02	5.85
	Provision held	0.02	0.02	-	-	0.17	3.92	1.83	1.90	2.02	5.83
Total	Number of borrowers	1	1	-	-	9	10	103	105	114	116
	Gross Amount	0.02	0.02	-	-	6.76	65.13	5.30	6.16	12.08	71.31
	Provision held	0.02	0.02	-	-	4.30	32.41	3.64	3.84	7.97	36.27

*Inclusive of diminution in fair value.

Note: Excluding the accounts restructured under One-time Restructuring Scheme for MSME accounts and RFCS 1.0 (I&S), RFCS 2.0(I&S) and RFCS 2.0 (MSME).

i) Details of Micro, Small and Medium Enterprises (MSME) Sector accounts restructured under the One Time Restructuring Scheme for MSME accounts as on 31.03.2026

Details of MSME accounts restructured as per RBI Circular DBR.No.BPBC.18/21.04.048/2018-19 dated January 1, 2019, RBI/2019-20/160.DOR.No.BPBC.34/21.04.048/2019-20 dt. February 11,2020 and RBI/2020-21/17 DOR. No. BP BC/4/21.04.048/2020-21 dt. August 06,2020, RBI/2021-22/32 DOR.STR. REC.12/21.04.048/2021-22 dated May 05, 2021 and RBI/2021-22/47 DOR.STR. REC. 12/ 21.04.048/ 2021-22 dated June 4, 2021 are as given below:

	2025-26	2024-25
No. of borrowers restructured	7	8
Amount (in Crore)	8.23*	13.22*

*Excludes other facilities to the borrowers which have not been restructured but considered as part of residual debt.

e) Disclosure of Divergence in the Asset Classification and Provisioning

In terms of RBI guidelines, banks are required to disclose the divergences in asset classification and provisioning consequent to RBI's annual supervisory process in their notes to accounts to the financial statements. The disclosure is required if either or both of the following conditions are satisfied: (i) the additional provisioning for NPAs assessed by RBI as part of its supervisory process exceeds 5% of the reported profit before provisions and contingencies for the reference period and (ii) the additional Gross NPAs identified by RBI as part of its supervisory process exceed 5% of the reported incremental Gross NPAs for the reference period ended 31 March, 2025 and 31 March, 2024.

Based on the above, no disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's annual supervisory process for the year ended 31 March, 2025 and 31 March, 2024. RBI annual supervision process is not completed for the FY 2025-26 and hence no disclosure is made in this regard.

f) Disclosure of transfer of loan exposures

Details of stressed loans transferred (to be made separately for loans classified as NPA and SMA)						
(all amounts in ₹ Crore)	During the year 2025-26			During the year 2024-25		
	To Asset Reconstruction Companies (ARCs)	To permitted transferees	To other transferees (please specify)	To Asset Reconstruction Companies (ARCs)	To permitted transferees	To other transferees (please specify)
No. of accounts	1	-	-	-	-	1*
Aggregate principal outstanding of loans transferred	44.25	-	-	-	-	9.59
Weighted average residual tenor of the loans transferred	-	-	-	-	-	-
Net book value of loans transferred (at the time of transfer)	0.00	-	-	-	-	-
Aggregate consideration	3.50	-	-	-	-	2.25
Additional consideration realised in respect of accounts transferred in earlier years	-	-	-	-	-	-

*Assignment on cash basis

Details of loans acquired during the year 2024-2025 and 2025-26

No loans were acquired from SCBs, RRBs, Co-operative Banks, AIFIs, SFBs and NBFCs including Housing Finance Companies (HFCs) or from ARCs during the years 2024-2025 and 2025-26

g) Disclosure on Co-Lending Arrangements (CLA):

There are no Co-Lending Arrangements (CLA) by the Bank as at March 31, 2026

h) Non-Fund Based (NFB) Credit Facilities: Details of Non-Fund Based Credit facilities outstanding are given below:

Secured* Portion	March 31, 2026	March 31, 2026	March 31, 2025	March 31, 2025
	Unsecured Portion	Secured* Portion	Unsecured Portion	
I Outstanding Guarantees (₹ Crore)				
i) In India	280.01	-	293.95	-
ii) Outside India	-	-	-	-
II Acceptances, Endorsements and other Obligations (₹ Crore)	9.64	-	9.77	-

i) Fraud Accounts

RBI vide DoS. CO. FMG. No. S332/23.04.001/2022-23 dtd.13th January, 2023 has advised all member Banks to report all the Digital Payment related Financial Fraud incidents to RBI through FMR, which includes the instances where either the credentials have been compromised by customers themselves, or no loss has been caused to the Bank. In compliance of the above, Bank has started reporting all cyber fraud incidents to RBI through FMR, from 1st January 2023 onwards. As per RBI Master Directions on Fraud Risk Management, all payment related frauds need not be reported to RBI through FMR application and payment related fraud if concluded as fraud committed on bank, only need to be reported to RBI through FMR application.

During the FY 2025-2026, material Fraud cases of 4 numbers amounting to ₹ 5.03 Crores occurred and reported, out of which, ₹ 0.03 Crores was recovered. Out of the total 4 numbers of fraud incidents reported to RBI during the year 2025-2026, No Cyber frauds, were reported.

Particulars	March 31, 2026	March 31, 2025
No. of frauds reported during the year	4	155
Amount involved in fraud (₹. in Cr)	5.03	5.06
Amount involved in fraud net of recoveries which requires provision (₹. in Cr)	5.00	1.79
Amount of Provision made for such Frauds (₹. in Cr)	5.00	1.79
Amount of unamortized provision debited from "other reserves" as at the end of the year (₹. in Cr)	Nil	Nil

j) **Disclosure related to project finance:** A bank shall make appropriate disclosures related to project finance as below:

Sl. No	Item Description	Number of accounts	Total outstanding
1	Projects under implementation accounts at the beginning of the quarter.	84	265.79
2	Projects under implementation accounts sanctioned during the quarter	1	4.97
3	Projects under implementation accounts where DCCO has been achieved during Q4	7	36.32
4	Projects under implementation accounts at the end of the quarter. (1+2+3)	78	234.44
5	Out of '4' – accounts in respect of which resolution process involving extension in original / extended DCCO, as the case may be, has been invoked.	6	13.51
5.1	Out of '5' – accounts in respect of which Resolution plan has been implemented.	6	13.51
5.2	Out of '5' – accounts in respect of which Resolution plan is under implementation.	0	0
5.3	Out of '5' – accounts in respect of which Resolution plan has failed.	0	0
6	Out of '5', accounts in respect of which resolution process involving extension in original / extended DCCO, as the case may be, has been invoked due to change in scope and size of the project.	0	0
7	Out of '5', account in respect of which cost overrun associated with extension in original / extended DCCO, as the case may be, was funded	0	0
7.1	Out of '7', accounts where SBCF was sanctioned during financial closure and renewed continuously	0	0
7.2	Out of '7', accounts where SBCF was not pre sanctioned or renewed continuously	0	0
8	Out of '4' – accounts in respect of which resolution process not involving extension in original / extended DCCO, as the case may be, has been invoked.	0	0
8.1	Out of '8' – accounts in respect of which Resolution plan has been implemented.	0	0
8.2	Out of '8' – accounts in respect of which Resolution plan is under implementation.	0	0
8.3	Out of '8' – accounts in respect of which Resolution plan has failed.	0	0

k) **Disclosure under Resolution framework for COVID-19- related Stress:**

- 1) Details of resolution plan implemented under Resolution framework for Covid -19 related stress as per RBI Circular dated August 6, 2020 (Resolution framework 1.0) and as per RBI circular dated May 5, 2021 (Resolution Framework 2.0) "Covid-19 related Stress of Individuals and small business" are given below:

	(A)	(B)	(C)	(D)	(E)
Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of previous half year (A) 30.09.2025	Of (A), aggregate debt that slipped into NPA during the half year ended Mar 2026	Of (A) amount written off during the half year	Of (A) amount paid by the borrowers during the half year ended Mar 2026	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of year 31.03.26*
Personal Loans	10.83	0.19	0.00	1.27	9.17

Others	1.82	0.00	0.00	0.24	1.17
Corporate Persons (all are MSME loans)	5.61	0.00	0.00	0.96	4.98
Total under RFCS	18.26	0.19	0.00	2.47	15.33

*Excludes other facilities to the borrowers which have not been restructured but considered as part of residual debt.

2) Number of borrower accounts where modifications were sanctioned and implemented in terms of Clause 22 of Circular No. RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dt. May 5, 2021, 'Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses' are NIL as on March 31, 2026

I) Provision on accounts covered under the provisions of Insolvency and Bankruptcy Code

22 Accounts with gross NPA of ₹ 431.58 Crore are in various stages of resolution/liquidation out of which, 19 accounts with Gross NPA of ₹ 388.92 Crore are already technically written off. Out of the remaining 3 accounts, two accounts are fully provided for and in the remaining one account adequate provision is kept as per the IRAC norms. The bank is holding 98.29% provision against the total outstanding on the accounts covered under the provisions of Insolvency and Bankruptcy Code.

4. EXPOSURES

(i) Exposure to Real Estate Sector

The exposure, representing the higher of funded and non-funded limits sanctioned or outstanding to real estate sector, is given in the table below:

Category	March 31, 2026	March 31, 2025
i) Direct exposure		
a) Residential Mortgages – (Exposure would also include non-fund based (NFB) limits.) Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (A)	1367.87	1241.23
Of Which individual Housing loan eligible for inclusion in Priority Sector Advances.	678.34	642.69
b) Commercial Real Estate Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits; (B)	293.05	321.73
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures		
a. Residential,	Nil	Nil
b. Commercial Real Estate.	Nil	Nil
ii) Indirect Exposure		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies (C)	195.98	261.47
Total Exposure to Real Estate Sector (A+B+C)	1856.90	1824.43

(ii) Exposure to Capital Market

The exposure, representing the higher of funded and non-funded limits sanctioned or outstanding to capital market sector, is given in the table below:

Particulars	March 31, 2026	March 31, 2025
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	11.21	19.83
(ii) Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	Nil	Nil

Particulars	March 31, 2026	March 31, 2025
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	Nil	Nil
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e., where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds `does not fully cover the advances;	Nil	Nil
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
(vi) Loans sanctioned to corporate 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;	Nil	Nil
(vii) Bridge loans to companies against expected equity flows/issues;	Nil	Nil
(viii) Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	Nil	Nil
(ix) Financing to stockbrokers for margin trading;	Nil	Nil
(x) All exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
Total Exposure to Capital Market	11.21	19.83

(iii) Risk Category wise Country exposure

Risk Category	Exposure (net) as at March 31, 2026	Provision held as at March 31, 2026	Exposure (net) as at March 31, 2025	Provision held as at March 31, 2025
Insignificant	Nil	Nil	0.35	Nil
Low	Nil	Nil	Nil	Nil
Moderately Low	Nil	Nil	Nil	Nil
Moderate	Nil	Nil	Nil	Nil
Moderately High	Nil	Nil	Nil	Nil
High	Nil	Nil	Nil	Nil
Very High	Nil	Nil	Nil	Nil
Total	Nil	Nil	0.35	Nil

As the Bank's exposure for the year in respect of risk Category-wise Country Exposure (Foreign Exchange Transactions) is less than 1% of total assets of the Bank, no provision is considered necessary.

(iv) Unsecured Advances

Particulars	March 31, 2026	March 31, 2025
Total Unsecured advances of the Bank	230.30	524.86
Of which, amount of advances outstanding against charge over intangible securities such as rights, Licenses, authority etc.	-	-
The estimated value of such intangible security as in (i) above	-	-

(v) Factoring Exposures: Nil**(vi) Intra-Group Exposures:** Bank does not have any group entities giving rise to any Intra-Group Exposures.**(vii) Unhedged Foreign Currency Exposure**

The Bank has a policy on managing credit risk arising out of foreign currency exposure of its borrowers. In line with the policy, assessment of unhedged foreign currency exposure is a part of assessment of borrowers and is undertaken while proposing limits or at the review stage. The Bank has fixed a maximum limit on unhedged position on borrowers, while sanctioning limits for all clients. The unhedged portion of foreign currency credit exposure of large corporate/SMEs are monitored and reviewed on a monthly basis.

Any sanction of fresh loans/ adhoc loans/ renewal of loans to new/ existing borrowers is done after obtaining/ sharing necessary information. The Bank also maintains incremental provision towards the unhedged foreign currency exposure of its borrowers in line with the extant RBI guidelines. The Bank has maintained a provision of ₹ 1.42 Crore (previous year – ₹ 1.01 Crore), and capital charge of ₹ 0.03 Crore (previous year ₹ 0.04 Crore) as on 31.03.2026.

(viii) Loans against gold and silver collateral

a) Details of loans extended against eligible gold and silver collateral

Particulars	Loan outstanding		Average ticket size (₹ Crore)	Average LTV ratio	Gross NPA (%)
	(₹ Crore)	As % of Total Loans			
1. Opening balance of the FY [(a)+(b)]	3799.01	31.12%	0.03	68.56%	0.08%
(a) Consumption loans	1279.87	10.48%	0.02	62.00%	0.11%
of which bullet repayment loans	1260.04	10.32%	0.02	61.99%	0.11%
(b) Income generating loans	2519.14	20.63%	0.04	73.87%	0.06%
2. New loans sanctioned and disbursed during the FY [(c)+(d)]	9353.23	45.52%	0.04	68.04%	NA
(c) Consumption loans	4785.73	23.29%	0.03	63.12%	NA
of which bullet repayment loans	4785.73	23.29%	0.03	63.12%	NA
(d) Income generating loans	4567.5	22.23%	0.07	78.46%	NA
3. Renewals sanctioned and disbursed during the FY	5817.89	28.31%	0.06	65.13%	NA
4. Top-uploanssanctionedanddisbursedduringtheFY	-	-	-	-	NA
5. Loans repaid during the FY [(e)+(f)]	6635.83	35.18%	0.03	NA	NA
(e) Consumption loans	2977.49	15.79%	0.03	NA	NA
of which bullet repayment loans	2976.16	15.77%	0.03	NA	NA
(f) Income generating loans	3658.34	19.39%	0.04	NA	NA
6. Non-Performing Loans recovered during the FY [(g) + (h)]	4.57	0.03%	0.04	NA	NA
(g) Consumption loans	2.79	0.02%	0.04	NA	NA
of which bullet repayment loans	2.79	0.02%	0.04	NA	NA
(h) Income generating loans	1.78	0.01%	0.05	NA	NA
7. Loans written off during the FY [(i) + (j)]	0.00	0.00%	0.00	NA	NA
(i) Consumption loans	0.00	0.00%	0.00	NA	NA
of which bullet repayment loans	0.00	0.00%	0.00	NA	NA
(j) Income generating loans	0.00	0.00%	0.00	NA	NA
8. Closing balance at the end of FY [(k) + (l)]	6511.84	43.04%	0.05	65.47%	0.05%
(k) Consumption loans	3426.78	22.65%	0.04	60.12%	0.04%
of which bullet repayment loans	3391.26	22.41%	0.04	60.28 %	0.04%
(l) Income generating loans	3085.06	20.39%	0.07	77.16 %	0.05%

(b) Details of gold and silver collateral and auctions

Sr. No.	Particulars	
(a)	Unclaimed gold or silver collateral at the end of the financial year (in grams)	159.22 grams
(b)	Number of loan accounts in which auctions were conducted	45 accounts
(c)	Total outstanding in loan accounts mentioned in (b)	2.00 Crore
(d)	Gold or silver collateral acquired during the FY due to default of loans (in grams)	3715.48gms

Sr. No.	Particulars	
(e)	Gold or silver collateral auctioned during the FY (in grams)	3715.48 gms
(f)	Recovery made through auctions during the FY (in ₹ Crore)	4.66 Crore
(g)	Recovery percentage:	
(h)	as % of value of gold or silver collateral	101.07%
(i)	as % of outstanding loan	233%

Bank do not have any lending against silver collateral

6. Concentration of Deposits, Advances, Exposures and NPAs

The Bank has compiled the data for the purpose of this disclosure from its internal MIS system and has been furnished by the management, which has been relied upon by the auditors

a) Concentration of Deposits

Particulars	March 31, 2026	March 31, 2025
Total Deposits of twenty largest depositors (₹ in Crore)	4841.41	3923.83
Percentage of Deposits of twenty largest depositors to total Deposits of the Bank	25.97%	24.50%

b) Concentration of Advances *

Particulars	March 31, 2026	March 31, 2025
Total Advances to twenty largest borrowers (₹. In Crore)	1628.86	1758.85
Percentage of Advances to twenty largest borrowers to Total Advances of the Bank	10.77%	14.41%

c) Concentration of Exposures

Particulars	March 31, 2026	March 31, 2025
Total Exposure to twenty largest borrowers/customers (₹. In Crore)	1843.96	1830.70
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers / customers	11.69%	14.39%

d) Concentration of NPAs

Particulars	March 31, 2026	March 31, 2025
Total Exposure to top twenty NPA accounts (₹ in Crore)	133.48	216.94
Percentage of exposures to the twenty largest NPA exposures to total Gross NPAs.	46.61 %	59.58 %

7. DERIVATIVES

- Details of derivative portfolio: NIL as on 31.03.2026 (Previous Year -NIL)
- Forward rate agreement/ Interest rate swap: The Bank has not entered into Forward Rate Agreement and Interest Rate Swap during FY 2025-26 (previous year: NIL).
- Exchange traded Interest Rate Derivatives: NIL as on 31.03.2026 (previous year- NIL)
- Disclosures on risk exposure in Derivatives**

(a) Qualitative disclosures:

Structure and Organization for Management of risk in derivatives trading: Operations in the Treasury are segregated into three functional areas, namely Front office, Mid office and Back-office, equipped with necessary infrastructure and trained officers, whose responsibilities are well defined. The Bank enters into plain vanilla forward forex contracts only to backup / cover customer transactions as also for proprietary trading purpose. The Bank also enter in to foreign exchange swaps with other banks for hedging own balance sheet items like FCNR/ EEFC etc. The Treasury Management Policy of the Bank clearly lays down the scope of usages, approval process as also the limits like the open position limits, deal size limits and stop loss limits for trading. The Mid Office is handled by Risk Management Department. Daily report is generated by Risk Management Department for appraisal of the risk profile to the senior management for Asset and Liability management.

➤ Scope and nature of risk measurement, risk reporting and risk monitoring systems: Outstanding forward contracts are monitored by Risk Management Department against the limits (Counterparty, Stop Loss, Open Position, VaR, Aggregate Gap) fixed by the Board and approved by RBI (wherever applicable) and exceeding, if any, are reported to the appropriate authority / Board for ratification.

- Policies for hedging and / or mitigating and strategies and processes for monitoring the continuing effectiveness of hedges

/ mitigants: The Bank's policy lays down that the transactions with the corporate clients are to be undertaken only after the inherent credit exposures are quantified and approved for customer appropriateness and suitability and necessary documents like ISDA agreements etc. are duly executed. The Bank adopts Current Exposure Method for monitoring the credit exposures. While sanctioning the limits, the competent authority stipulates condition of obtaining collaterals / margin as deemed appropriate. The derivative limits are reviewed periodically along with other credit limits.

2. Accounting policy for recording the hedge and non-hedge transactions, recognition of Income premiums and discounts, valuation of outstanding contracts, provisioning, collateral and credit risk mitigation: Valuation of outstanding forward contracts are done as per FEDAI guidelines in force. Marked to market profit & loss are taken to Profit & Loss account. MTM profit & loss calculated as per Current Exposure method are taken into account while sanctioning forward contract limits to customers and collaterals / cash margins are prescribed for credit and market risks. The Bank undertakes foreign exchange forward contracts for its customers and hedges them with other banks. The credit exposure on account of forward contracts is also considered while arriving at the total exposure of each customer / borrower and counter party banker. The Bank also deals with other banks in proprietary trading duly adhering to risk limits permitted by RBI, set in the policy and is monitored by mid office. The Marked to Market values are monitored on daily basis for foreign exchange forward contracts. The credit equivalent is computed under current exposure method. The operations are conducted in terms of the policy guidelines issued by Reserve Bank of India from time to time and as approved by the Board of the Bank.

ii) Quantitative Disclosure

Sl. No	Particulars	March 31, 2026		March 31, 2025	
		Currency Derivatives	Interest rate derivatives	Currency Derivatives	Interest rate derivatives
(i)	Derivatives (Notional Principal Amount)	Nil	Nil	Nil	Nil
	a) For hedging	Nil	Nil	Nil	Nil
	b) For trading	Nil	Nil	Nil	Nil
(ii)	Marked to Market Positions [1]	Nil	Nil	Nil	Nil
	a) Asset (+)	Nil	Nil	1.87	Nil
	b) Liability (-)	Nil	Nil	Nil	Nil
(iii)	Credit Exposure [2]	Nil	Nil	Nil	Nil
(iv)	Likely impact of one percentage change in interest rate (100*PV01)	Nil	Nil	Nil	Nil
	a) on hedging derivatives	Nil	Nil	Nil	Nil
	b) on trading derivatives	Nil	Nil	Nil	Nil
(v)	Maximum and Minimum of 100* PV01 observed during the year	Nil	Nil	Nil	Nil
	a) on hedging	Nil	Nil	Nil	Nil
	b) on trading	Nil	Nil	Nil	Nil

e) Credit Default Swaps

The Bank has not entered into Credit Default Swaps during FY 2025-26 (previous year: NIL outstanding).

f) OIS (Overnight Index Swap) position

The Bank has not entered into OIS (Overnight Index Swap) during FY 2025-26 (previous year: NIL outstanding).

g) Un-hedged / uncovered foreign currency exposure of the Bank

The Bank's foreign currency exposures as at March 31, 2026 that are not hedged/ covered by either derivative instruments or otherwise are within the Net Overnight Open Position limit (NOOP) and the Aggregate Gap limit, as approved by the Board. NOOP limit is ₹ 25.00 Crore and actual position as on March 31, 2026 was ₹ 3.25 Crore. AGL limit is USD 80 Million and actual position as on March 31, 2026 was USD 16.00 Million.

h) Currency Futures

The Bank does not deal in exchange traded currency futures during the current and previous financial years.

8. Securitization Transactions

The Bank has not undertaken any securitization transactions during the year ended March 31, 2026 and March 31, 2025.

9. Off-balance sheet SPVs sponsored

There are no SPVs sponsored by the Bank as at March 31, 2026 and March 31, 2025.

10. Transfers to Depositor Education and Awareness Fund (DEA Fund)

In accordance with the guidelines issued by RBI, the Bank transfers the amount to the credit of any account which has not been operated upon for a period of 10 years or any deposit or any amount remaining unclaimed for more than 10 years to the DEA Fund. Details of amount transferred to DEA Fund are as follows:

Sl. No.	Particulars	March 31, 2026	March 31, 2025
i	Opening balance of amounts transferred to DEA Fund	98.78	87.68
ii	Add: Amounts transferred to DEA Fund during the year	11.98	12.25
iii	Less: Amounts reimbursed by DEA Fund towards claims	2.56	1.15
iv	Closing balance of amounts transferred to DEA Fund	108.20	98.78

The closing balance of the amount transferred to Depositors Education and Awareness Fund as disclosed above, is included under 'Schedule 12- Contingent Liabilities - Other items for which the bank is contingently liable'.

11. Disclosure of Complaints

a) Summary information on complaints received by the bank from customers and from the office of Banking Ombudsman

S. N.	Particulars	March 31, 2026	March 31, 2025
	Complaints received by the bank from its customers		
1	Number of complaints pending at beginning of the year	201	94
2	Number of complaints received during the year	12483	13538
3	Number of complaints disposed during the year	12472	13431
3.1	Of which, number of complaints rejected by the bank	1512	321
4	Number of complaints pending at the end of the year	212	201
	Maintainable complaints received by the bank from Office of Ombudsman		
5	Number of maintainable complaints received by the bank from Office of Ombudsman	39*	20
5.1	Of 5, number of complaints resolved in favor of the bank by Office of Ombudsman	17*	9
5.2	Of 5, number of complaints resolved through conciliation/ mediation/advisories issued by Office of Ombudsman	22*	11
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the bank	0	0
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	No awards received	No awards received
	Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously Banking Ombudsman Scheme, 2006) and covered within the ambit of the Scheme.		

*Data submitted based on the report generated from RBI CMS portal.

b) 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
Financial Year 2025-26					
ATM/Debit Cards	43	2965	-10.42%	36	0
Internet/Mobile/Electronic Banking	94	7187	-13.92%	93	4
Account opening/ difficulty in operation of accounts	1	572	-18.52%	2	0
Credit Cards	1	276	-1.43%	2	0
Loans and Advances	9	276	26.61%	3	0
Others	53	1207	77.76%	76	0
Total	201	12483	-7.79%	212	4

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
Financial Year 2024-25					
ATM/Debit Cards	20	3310	40	43	1
Internet/Mobile/Electronic Banking	47	8349	217	94	2
Account opening/ difficulty in operation of accounts	4	702	33	1	0
Credit Cards	4	280	86	1	1
Loans and Advances	2	218	651	9	1
Others	17	679	110	53	4
Total	94	13538	124	201	9

12. Penalties Levied by the Reserve Bank of India

During the FY 2025-26, Reserve Bank of India levied penalty on the Bank as detailed below:

Penalty imposed under	Nature of the breach	Number of instances of default	Quantum of penalty imposed (Amount in ₹)
Banking Regulation Act 1949	1. Deficiency observed during inspection of Currency Chests by RBI. 2. Deficiency in Soiled Note Remittance (Both penalties are levied as per RBI Master Direction – Scheme of Penalties for bank branches and Currency Chests for deficiency in rendering customer service to the members of public)	2 8	5250 3,750
RBI Guidelines	Ombudsman - Customer complaint-related compensation	1	7,500
NPCI-TD Compliance penalty (IMPS)	Technical Declines of IMPS above threshold	1	10,000

During the year 2024-25, Reserve Bank of India levied penalty on the Bank as detailed below:

Penalty imposed under	Nature of the breach	Number of instances of default	Quantum of penalty imposed (Amount in ₹)
Banking Regulation Act 1949	1. Deficiency observed during inspection of Currency Chests by RBI. 2. Deficiency in Soiled Note Remittance (Both penalties are levied as per RBI Master Direction – Scheme of Penalties for bank branches and Currency Chests for deficiency in rendering customer service to the members of public)	2 3	10,100 1150

13. Disclosures on Remuneration

i) Qualitative Disclosures

a. Information relating to the composition and mandate of the Nomination and Remuneration Committee- Composition (as on 31/03/2026)

1. Dr. Nirmla Padmanabhan – Chairperson
2. Sri K.N. Madhusoodanan
3. Sri G. Rajagopalan Nair

4. Ms. Vardhini Kalyanaraman
5. Dr. Jineesh Nath C.K
6. Sri Ashutosh Khajuria

Terms of Reference

1. Recommending to the Board for its consideration and approval on the size and composition of the Board taking into account the available and needed diversity and balance in terms of experience, knowledge, skills and judgment of the Directors;
2. Reviewing, from time to time, possible candidates for current and potential Board vacancies, including Directors who are to retire and are eligible for re-appointment or re-election and other persons who may be recommended by the Chairman or the MD&CEO or other Directors, shareholders or others;
3. Recommending to the Board, candidates for election (including reelection) or appointment (including reappointment) to the Board;
4. Carrying out evaluation of every Director's performance;
5. Deciding on the matter of whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
6. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal; formulation of the criteria for determining qualifications, positive attributes and Independence of a Director;
7. Devising a policy on diversity of Board of Directors;
8. Recommending to the Board a policy relating to the remuneration for the Directors, key managerial personnel and other employees;
9. Formulating and determining the Bank's policies on remuneration packages payable to the Directors and key managerial personnel including performance/achievement bonus perquisites, retiral, sitting fees;
10. Considering grant of Stock Options to employees;
11. Reviewing the composition of the existing Committees of the Board;
12. Formulation of criteria for performance evaluation of independent directors and the Board;
13. Validation of "fit and proper" status of all Directors on the Board of the Bank in terms of the guidelines issued by the RBI or other regulatory authorities;
14. Developing and recommending to the Board the Corporate Governance guidelines applicable to the Bank for incorporating best practices from time to time

b) Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.

In compliance with standards of corporate governance as well as regulatory reforms put forth by Reserve Bank of India, Bank has in place 'Compensation Policy of Whole time Directors (WTD), Chief Executive Officers, Material Risk Takers (MRTs) and Control Function Staff.

For employees who do not fall under the purview of above, we also have a 'Compensation Policy' clearly defining the compensation design in line with banking industry benchmarks, under two streams of employment viz. IBA and CTC.

c) Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks.

Based on the Financial Stability Board (FSB) principles for sound compensation practices which also formed a part of regulatory reforms circulated by RBI vide DOR. Appt. BC. No.23/ 29.67.001/2019-20 dated 04.11.2019, effective alignment of compensation with prudent risk taking while ensuring that compensation covers all types of risks including difficult to measure risks is already envisaged in 'Compensation Policy of WTDs, Chief Executive Officers, MRTs and Control Function Staff'.

The Policy also touches upon the sensitivity of payout schedule to the time horizon of risks.

In order to analyze the long-term consequences viz-a-viz risk appetite, our policy objective is to align regulatory guidelines with prevailing trends / practices in the industry to achieve a balanced scenario wherein

1. compensation is adjusted for all types of risks
2. compensation outcomes are symmetric with risk outcomes
3. compensation payouts are sensitive to the time horizon of risks and
4. mix of cash, equity and other forms of compensation are consistent with risk alignment.

Regarding the employees who are not covered under 'Compensation Policy of WTDs, Chief Executive Officers, MRTs and Control Function Staff', the payout falls under either IBA or CTC pattern.

The former is periodically revised by bi-partite settlements/ joint notes while the latter is linked to bank's performance and the individual's performance, complying with the statutory guidelines and the yardsticks approved by competent authorities.

d) Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.

Compensation structure for the personnel covered under 'Compensation Policy of WTDs, Chief Executive Officers, MRTs and Control Function Staff' is a mix of fixed pay and variable pay with the latter proportionate to the responsibility/ seniority.

Bank will devise scoring model with specific parameters in tandem with the rules and authorities handled by the respective positions. The Board will review and finalize the score for each senior management position based on the audited figures of the previous financial year.

For employees coming under IBA pattern, the compensation shall be revised once in five years as decided by the bi-partite settlements/ joint notes, subject to granting of bank's mandate.

Under CTC pattern the increments shall be linked to bank's performance based on year-on-year yardsticks fixed by the Bank.

e) A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.

Norms for grant of share linked instruments shall be in conformity with the provisions of Securities & Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. Share linked instruments shall be fair valued on the date of grant by the bank using Black-Scholes Model.

Deferral of Variable Pay

In adherence to FSB implementation standards, a minimum of 60% of total Variable Pay shall be under deferral arrangement with further guidelines on cash component as follows:

- 1) If cash component is part of Variable Pay, at least 50% of the cash bonus shall be under deferral arrangement.
- 2) If cash component of Variable Pay is under ₹ 0.25 Crore, deferral payment for cash portion would not be necessary.

Period of Deferral Arrangement

Deferral Period shall be fixed as three years applicable to both cash and non-cash components of the Variable Pay. In order to ensure a proper assessment of risks before the application of ex-post adjustments, following guidelines shall be ensured for vesting.

- 1) Deferred portion of Variable Pay shall be spread out on a pro-rata basis, i.e., not more than 33.33% of the total deferred Variable Pay shall vest at the end of first year. Further, not more than 33.33% of total deferred Variable Pay shall vest at the end of second year.
- 2) The first such vesting shall not be before one year from the commencement of the deferral period.

Retention Period

There shall be a Retention Period (Lock-in period) of one year for Share-linked instruments forming part of Variable Pay, during which they cannot be sold or accessed.

f) Description of the different forms of variable remuneration (i.e., cash and types of share-linked instruments) that the bank utilizes and the rationale for using these different forms.

Variable pay shall consist of cash/ non-cash compensation by way of share linked instruments assessed on the basis of adequately measured performance of individual/ business unit.

Limits on Variable Pay:

- 1) Total Variable Pay, inclusive of cash and non-cash components for all positions other than Whole Time Directors and MD & CEO shall be 100% of the Fixed Pay (i.e., 50% of total remuneration).
- 2) For WTDs and MD & CEO, total Variable Pay shall not be less than 100% (i.e., 50% of total remuneration) and shall be limited to a maximum of 300% of the Fixed Pay.
- 3) If Variable Pay is up to 200% of Fixed Pay, a minimum of 50% of such variable pay shall be in the form of non-cash instruments.
- 4) If Variable Pay is over and above 200% of Fixed Pay, a minimum of 67% of such variable pay shall be in the form of non-cash instruments.
- 5) If grant of share-linked instruments is barred by statute or regulation, Variable Pay would be capped at 150% of the Fixed Pay with a lower base of 50%.

ii) Quantitative Disclosures

Quantitative disclosures	March 31, 2026	March 31, 2025																								
Number of meetings held by the Nomination and Remuneration Committee during the financial year and remuneration paid to its members	No of Meeting's: 8 Total Remuneration Paid: 0.13	No of Meeting's: 13 Total Remuneration Paid: 0.13																								
(i) Number of employees having received a variable remuneration award during the financial year.	3*	Nil																								
(ii) Number and total amount of sign-on / joining bonus made during the financial year.	Nil	Nil																								
(iii) Details of severance pay, in addition to accrued benefits, if any.	Nil	Nil																								
*Variable pay of Ex MD and CEO, Sri Shivan J K paid in the FY 2025-26.																										
(i) Total amount of outstanding deferred remuneration, split into cash, shares and share linked instruments and other forms.	0.97	1.56#																								
(ii) Total amount of deferred remuneration paid out in the financial year.	0.14	Nil																								
Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	<table border="1"> <thead> <tr> <th></th><th>Fixed Pay</th><th>Variable Pay</th></tr> </thead> <tbody> <tr> <td>MD & CEO</td><td>0.75</td><td>0.37</td></tr> <tr> <td>ED</td><td>0.40</td><td>0.16</td></tr> <tr> <td>MRTs</td><td>0.75*</td><td>Nil</td></tr> </tbody> </table>		Fixed Pay	Variable Pay	MD & CEO	0.75	0.37	ED	0.40	0.16	MRTs	0.75*	Nil	<table border="1"> <thead> <tr> <th></th><th>Fixed Pay</th><th>Variable Pay</th></tr> </thead> <tbody> <tr> <td>MD & CEO</td><td>0.67</td><td>0.58</td></tr> <tr> <td>ED</td><td>0.07</td><td>**</td></tr> <tr> <td>MRTs</td><td>0.65</td><td>Nil</td></tr> </tbody> </table>		Fixed Pay	Variable Pay	MD & CEO	0.67	0.58	ED	0.07	**	MRTs	0.65	Nil
	Fixed Pay	Variable Pay																								
MD & CEO	0.75	0.37																								
ED	0.40	0.16																								
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	Fixed Pay	Variable Pay																								
MD & CEO	0.67	0.58																								
ED	0.07	**																								
MRTs	0.65	Nil																								
*Excluding MD and ED																										
(i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.																										
(ii) Total amount of reductions during the financial year due to ex post explicit adjustments.	Nil	Nil																								
(iii) Total amount of reductions during the financial year due to ex post implicit adjustments.																										
Number of MRTs identified.	4	4																								
	(1. MD & CEO, 2. Executive Director, 3. Chief Credit Officer 4. Head – Treasury)	(1. MD & CEO, 2. Executive Director, 3. Chief Credit Officer & 4. Head – Treasury)																								
(i) Number of cases where malus has been exercised.																										
(ii) Number of cases where clawback has been exercised.	Nil	Nil																								
(iii) Number of cases where both malus and clawback have been exercised.																										
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.																										
1) The mean pay for the Bank as a whole (excluding sub staff) ***	0.012	0.012																								

Quantitative disclosures	March 31, 2026	March 31, 2025
2) The deviation of the pay (pro rata) of each of its WTDs from the mean pay	0.738**	0.658
• MD & CEO		
• ED	0.388	0.058

Previous MD&CEO - Sri Shivan J K; FY 2021 – 22 ₹ 0.36 Crs; FY 2022 – 23 ₹ 0.60 Crs; FY 2023 – 24 ₹ 0.60 Crs

** For deviation calculation for this FY, perquisite calculated is for ₹15 Lacs and actuals were taken into consideration while calculating the same for previous year.

- Provision for FY 2024 – 25 was ₹ 58.60 Lakhs and out of which variable pay amounting ₹14.06 Lakhs was paid in FY 2025-26. Balance provision is ₹ 44.54 Lakhs.
- Provision for FY 2025 – 26 is ₹ 53.00 Lakhs towards variable pay.
- Note: Out of total provision of ₹ 1.56 Cr towards the variable pay for previous MD&CEO, Sri Shivan J K, we have paid ₹ 78.53 Lacs in FY 2025-26 and balance provision amount has been reversed.

Variable Pay may be decided by the Board of Directors based on the recommendations of the Nomination & Remuneration Committee and subject to the approval of RBI and determined in accordance with the RBI Guidelines on Compensation for Whole Time Directors/Chief Executive Officers/Risk Takers and Control Function Staff, etc. issued by the RBI on November 4, 2019 ("RBI Guidelines") as amended from time to time and the Compensation Policy of the Bank framed in line with the aforesaid RBI Guidelines. As per the RBI guidelines, the total variable pay shall be limited to a maximum of 300% of the fixed pay. Further the variable pay, as per the RBI Guidelines, shall be inclusive of Cash as well as any Share-linked instruments.

*** Mean pay is computed on annual fixed pay that includes basic salary, other allowance, and other performance linked incentive/exgratia paid to the employees along with the value of perquisites

iii) Remuneration to Non-Executive Directors

The non-executive directors are paid remuneration by way of sitting fees for attending the meetings of the Board and Committee. The Board at its meeting held on 31.01.2023 had revised the sitting fees of Board and Board Committees to ₹ 40,000/- (previously ₹ 25000) and ₹ 30,000/- (previously ₹ 15000) respectively. Details of sitting fees paid are given below:

Particulars	March 31, 2026	March 31, 2025
Sitting Fees paid to Non-Executive Directors	1.07	1.13

14. OTHER DISCLOSURES

a. BUSINESS RATIOS

Sl. No.	Particulars	March 31, 2026	March 31, 2025
(i)	Interest Income as a percentage to Working Funds (%) ¹	8.20	7.93
(ii)	Non-interest income as a percentage to Working Funds (%) ¹	0.99	1.02
(iii)	Cost of Deposits (%)	5.61	5.58
(iv)	Net Interest margin (%) ²	3.53	3.25
(v)	Operating Profit as a percentage to Working Funds (%) ¹	1.11	0.57
(vi)	Return on Assets (%) ³	0.53	0.40
(vii)	Business (Deposits plus advances) per employee ⁴ – ₹ in Crore	18.18	16.06
(viii)	Profit/(Loss) per employee - ₹ in Crore #	0.06	0.04

¹ Working funds to be reckoned as average of total assets (excluding accumulated losses, if any) as reported to RBI in Form X for Commercial Banks during the 12 months of the financial year.

² Net Interest Margin = Net Interest Income / Average Interest Earning Assets where Net Interest Income = Interest Income – Interest Expense

³ Return on Assets would be with reference to average working funds (i.e., total of assets excluding accumulated losses, if any).

⁴ For the purpose of computation of business per employee (deposits plus advances), inter-bank deposits shall be excluded.

b. Bancassurance Business

Details of income earned from bancassurance business:

S. N.	Nature of Income	March 31, 2026	March 31, 2025
1	For selling non-life insurance policies	1.92	0.99
2	For selling Life insurance policies	16.39	12.25
	Total	18.31	13.24

c. Marketing and Distribution

S. N.	Particulars	March 31, 2026	March 31, 2025
1	APY	0.15	0.14
2	Demat	0.06	0.05
3	Mutual Funds	2.14	2.02
4	ASBA	0.00	0.01
5	SGB	-	-
6	PMJJBY	0.04	0.02
Total		2.39	2.24

d. Priority Sector Lending Certificate (PSLC)

The Bank purchases PSLC for meeting Priority Sector targets. The fee paid for purchase of PSLC is treated as expense and the fee received for sale of PSLC is treated as an income.

Sl. No.	Type of PSLC	31.03.2026		31.03.2025	
		Purchase	Sale	Purchase	Sale
1	PSLC - Agriculture	0	700.00	0	580.00
2	PSLC - Small and Marginal Farmers	0	250.00	0	400.00
3	PSLC – Micro Enterprises	0	0	1080.00	0
Total		0	950.00	1080.00	980.00

e. Provisions and Contingencies

The breakup of Provisions and Contingencies for the year ended March 31, 2026 and March 31, 2025 are given below:

Particulars	March 31, 2026	March 31, 2025
Provision for NPI	0.00	1.33
Provision for Standard Assets	10.00	8.32
Provision against Fraud	0.00	0.05
Provision for NPA (including Bad Debts written off)	70.10	17.97
Provision for Restructured Advances	(2.41)	(3.74)
Provision for Unhedged Forex Exposure	0.41	(0.07)
Provision for Income tax	10.28	6.78
Provision for Deferred Tax	25.19	(1.80)
Other Provisions (Net)*	(0.04)	(0.38)
Total	113.53	28.46

*Other provision is shown net of current year provision made against other assets and reversal of provisions made during earlier years

f. Implementation of IFRS converged Indian Accounting Standards (Ind AS)

RBI vide its directions on "Financial Statements: Presentation and Disclosures, 2025" and amendment thereto, notified that as the legislative amendments are under consideration of the Government of India, therefore, implementation of Indian Accounting Standards (Ind AS) for banks has been deferred till further notice. As per RBI directions, Proforma Ind AS financial statements are prepared on a half yearly basis and submitted to RBI.

RBI directions on "Classification, Valuation and Operation of Investment Portfolio" of commercial banks bring the classification and accounting of investments closer to Ind AS and the Bank has implemented these directions w.e.f. 1st April, 2024. In respect of classification, provisioning and income recognition for loans & advances and other financial assets, directions were issued by RBI on 27th April, 2026. Under these directions, ECL allowance shall be computed by adopting the forward-looking provisioning approach and in line with the regulatory requirements, Bank is taking the necessary steps to implement these directions w.e.f. 1st April, 2027.

g. Payment of DICGC Insurance premium

Sl. No	Particulars	March 31, 2026	March 31, 2025
i)	Payment of DICGC insurance Premium (including GST)	23.50	20.53
ii)	Arrears in payment of DICGC Premium	0	0

h. Disclosure of Letter of Comforts (LoCs) issued by the Bank

The Bank has not issued any Letter of Comforts during the year ended March 31, 2026 and March 31, 2025. RBI vide Circular No. RBI/2017-18/139 A.P (DIR Series) Circular No.20 dated March 13, 2018 has discontinued issuance of Letters of Undertaking (LoUs) and Letters of Comforts (LoCs).

i. Portfolio-level information on the use of funds raised from green deposits:

Bank has not raised any green deposits during the year 2025-26.

j. Details of Single Counterparty Limit / Limit for Group of Connected Counterparties exceeded by the Bank

RBI has prescribed limits linked to bank's eligible capital base in respect of exposure to single counter party and group of connected counter parties. During the year ended March 31, 2026 and March 31, 2025, the Bank was within the limits prescribed by the RBI.

15. DISCLOSURE AS PER ACCOUNTING STANDARDS (AS)

a) Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies (AS 5)

There are no changes in the Significant Accounting Policies adopted during the year ended 31st March 2026 as compared to those followed in the previous financial year ended 31st March 2025.

b) Employee Benefits (AS 15)

A. Defined Contribution Plan

- 1) **Provident Fund:** Employees, who have not opted for pension plan are eligible to get benefits from provident fund, which is a defined contribution plan. Aggregate contributions along with interest thereon are paid on retirement, death, incapacitation or termination of employment. Both the employee and the Bank contribute a specified percentage of the salary to the Dhanlaxmi Bank Employees' Provident Fund. The Bank has no obligation other than the monthly contribution. The Bank recognized ₹1.21 Crore (Previous Year: ₹0.98 Crore) for provident fund contribution in the Profit and Loss Account.
- 2) **New Pension Scheme:** As per the industry level settlement dated April 27, 2010, employees who joined the services of the Bank on or after April 1, 2010 are not eligible for the existing pension scheme whereas they will be eligible for Defined Contributory Pension Scheme (DCPS) in line with the New Pension Scheme introduced for employees of Central Government. Towards DCPS, employee shall contribute 10% of their pay components and Dearness Allowance thereon and the Bank will also make a contribution of 14%. There is no separate Provident Fund for employees joining on or after April 1, 2010. The Bank recognized ₹11.17 Crores (Previous Year: ₹11.10 Crore) for DCPS contribution in the Profit and Loss Account.

B. Defined Benefit Plan

The employee benefits on account of pension, gratuity and leave have been ascertained on actuarial valuation in accordance with Accounting Standard - 15 prescribed under section 133 of the Companies Act, 2013. The summarized position of various defined benefits recognized in the profit and loss account and balance sheet along with the funded status are as under:

The bank has recognized the following amounts in the Profit and loss account towards employee benefits as under:

Particulars	March 31, 2026	March 31, 2025
Pension Fund	25.64	45.09
Gratuity Fund	18.55	7.01
Compensation for absence on privilege/sick/casual leave	14.31	12.32

i) Defined Benefit Pension Plan and Gratuity

a. Changes in the present value of the defined benefit obligations

Particulars	Pension		Gratuity	
	2025-26	2024-25	2025-26	2024-25
Present value of obligation at the beginning of the year	214.45	171.07	88.08	80.87
Interest cost	14.71	11.20	5.86	5.67
Current Service Cost	10.97	11.44	5.19	4.26
Benefits paid	(41.26)	(13.65)	(5.83)	(4.81)
Net actuarial (gain)/loss on obligation	13.78	34.38	13.42	2.08
Past service cost	Nil	Nil	Nil	Nil
Settlements	Nil	Nil	Nil	Nil
Present value of the defined benefit obligation at the end of the year.	212.65	214.45	106.72	88.08

b. Change in the fair value of plan assets:

Particulars	Pension		Gratuity	
	2025-26	2024-25	2025-26	2024-25
Fair value of plan assets at the beginning of the year	178.62	133.04	81.07	75.45
Expected return on plan assets	12.22	10.80	5.62	5.47
Contributions by employer	42.32	47.29	7.01	5.42
Benefit paid	(41.26)	(13.65)	(5.83)	(4.81)
Settlements	Nil	Nil	Nil	Nil
Actuarial gain/(loss)	1.61	1.13	0.31	(0.47)
Fair value of plan assets at the end of the year	193.50	178.62	88.17	81.07

c. Expenses recognized in Profit and Loss Account

Particulars	Pension		Gratuity	
	2025-26	2024-25	2025-26	2024-25
Current Service Cost	10.73	11.44	5.19	4.26
Interest cost on benefit obligation	14.71	11.20	5.86	5.67
Expected return on plan assets	(12.22)	(10.80)	(5.62)	(5.48)
Net actuarial (gain)/loss recognized in the year	12.18	33.25	13.12	2.55
Past Service Cost	Nil	Nil	Nil	Nil
Expenses recognized in the Profit and Loss account	25.64	45.09	18.55	7.01

d. The amount recognized in the Balance Sheet

Particulars	Pension		Gratuity	
	2025-26	2024-25	2025-26	2024-25
Present Value of obligation at the end of the year (i)	212.65	214.45	106.72	88.08
Fair value of plan assets at the end of the year (ii)	193.50	178.62	88.17	81.07
Difference (ii)-(i)	(19.15)	(35.83)	(18.55)	(7.01)
Unrecognized past service liability	Nil	Nil	Nil	Nil
Net asset/(liability) recognized in the Balance Sheet	(19.15)	(35.83)	(18.55)	(7.01)

e. Details of the Plan Asset

The details of the plan assets (at cost) are as follows:

Particulars	Pension		Gratuity	
	2025-26	2024-25	2025-26	2024-25
Central Government securities	8.00	12.95	-	-
State Government securities	-	-	-	-
Investment in Private Sector Undertakings	-	-	29.29	29.11
Others	185.50	165.67	58.88	51.96
Total	193.50	178.62	88.17	81.07

f. Actuarial Assumptions

Principal assumptions used for actuarial valuation are:

Method used	Pension including family pension (wherever applicable)		Gratuity	
	Project Unit Credit Method			
	2025-26	2024-25	2025-26	2024-25
Discount rate	7.59%	6.82%	7.60%	6.88%
Expected rate of return on plan assets	6.82%	7.21%	6.88%	7.23%
Future salary increases	3.50%	2.50%	4.50%	4.50%

g. Pension Plan

Particulars	March 31,2026	March 31,2025	March 31,2024	March 31,2023	March 31,2022	March 31,2021
Defined Benefit Obligations	212.65	214.45	171.07	173.19	169.16	156.88
Plan Assets	193.50	178.62	132.77	140.84	147.62	124.02
(Surplus)/Deficit	19.15	35.83	38.30	32.35	21.54	32.86

h. Gratuity Plan

Particulars	March 31,2026	March 31,2025	March 31,2024	March 31,2023	March 31,2022	March 31,2021
Defined Benefit Obligations	106.72	88.08	80.87	82.05	73.08	69.83
Plan Assets	88.17	81.07	75.45	78.50	56.94	60.15
(Surplus)/Deficit	18.55	7.01	5.42	3.55	16.14	9.68

ii) Leave encashment benefits (unfunded obligation)

Leave encashment benefits of employees are provided on an actuarial basis and is unfunded

a) Expenses recognized in Profit and Loss Account

Particulars	Privilege Leave		Sick Leave	
	2025-26	2024-25	2025-26	2024-25
Changes in the present value of the defined benefit obligations				
Present value of obligation at the beginning of the year	53.31	48.69	4.91	4.50
Interest cost	3.37	3.25	0.34	0.33
Current Service Cost	3.96	3.59	0.45	0.43
Benefits paid	(8.59)	(7.30)	Nil	Nil
Net actuarial (gain)/loss on obligation	6.72	5.08	(0.53)	(0.36)
Past service cost	Nil	Nil	Nil	Nil
Settlements	Nil	Nil	Nil	Nil
Present value of the defined benefit obligation at the end of the year.	58.77	53.31	5.17	4.91
Expenses recognized in Profit and Loss Account				
Current Service Cost	3.96	3.59	0.45	0.43
Interest cost on benefit obligation	3.37	3.25	0.34	0.33
Expected return on plan assets	Nil	Nil	Nil	Nil
Net actuarial (gain)/loss recognized in the year	6.72	5.08	(0.53)	(0.36)
Past Service Cost	Nil	Nil	Nil	Nil
Excess provision held in books	Nil	Nil	Nil	Nil
Expenses recognized in the Profit and Loss account	14.05	11.92	0.26	0.40
The amount recognized in the Balance Sheet				
Present Value of obligation at the end of the year (i)	58.77	53.31	5.17	4.91
Fair value of plan assets at the end of the year (ii)	Nil	Nil	Nil	Nil
Difference (ii)-(i)	(58.77)	(53.31)	(5.17)	(4.91)
Unrecognized past service liability	Nil	Nil	Nil	Nil
Net asset/(liability) recognized in the Balance Sheet	(58.77)	(53.31)	(5.17)	(4.91)

b) Actuarial Assumptions

Principal assumptions used for actuarial valuation are:

Method used	Privilege Leave		Sick Leave	
	Projected Unit Credit Method			
	2025-26	2024-25	2025-26	2024-25
Discount rate	7.60%	6.88%	7.60%	6.88%
Future salary increases	4.50%	4.50%	4.50%	4.50%

The estimates of future salary growth, factored in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors. Such estimates are very long term and it is expected that under such very long term, consistent high salary growth rates are not possible. The said estimates and assumptions have been relied upon by the auditors

c) Segment Reporting (AS 17)

The Bank has recognized Business segments as primary reporting segment and Geographical segments as secondary segment in line with RBI guidelines on compliance with Accounting Standard 17.

I. Primary Segments: *Business segments*.

- (a) Treasury Operations
- (b) Corporate / Wholesale Banking
- (c) Retail banking
- (d) Other banking business operations

II. Secondary Segments: *Geographical segments*.

Since the Bank is having domestic operations only, no reporting does arise under this segment.

Segment Reporting

Business Segments	Treasury		Retail Banking		Corporate / Wholesale Banking		Other Banking Operations		Unallocated		Total	
	31.03.26	31.03.25	31.03.26	31.03.25	31.03.26	31.03.25	31.03.26	31.03.25	31.03.26	31.03.25	31.03.26	31.03.25
Revenue	294.32	256.73	1100.93	861.71	378.17	355.37	20.45	15.27	-	-	1793.87	1489.08
Results	62.21	48.32	64.31	34.29	(8.75)	(26.26)	20.45	15.27	-	-	138.22	71.62
Unallocated Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Operating Profit	-	-	-	-	-	-	-	-	-	-	138.22	71.62
Tax Expenses	-	-	-	-	-	-	-	-	-	-	35.47	4.98
Profit After Tax	-	-	-	-	-	-	-	-	-	-	102.75	66.64
Other Information												
Segment Assets	4698.22	4278.62	11990.20	9253.29	4475.33	4296.47	-	-	-	-	21163.75	17828.38
Unallocated Assets	-	-	-	-	-	-	-	-	73.90	108.56	73.90	108.56
Total Assets	-	-	-	-	-	-	-	-	-	-	21237.65	17936.94
Segment Liabilities	4257.52	3969.71	11291.64	8594.17	4214.59	3977.76	-	-	-	-	19763.75	16541.64
Unallocated Liabilities	-	-	-	-	-	-	-	-	-	-	1473.90	1395.27
Total Liabilities	-	-	-	-	-	-	-	-	-	-	21237.65	17936.93

d) Related Party Disclosures (AS 18)

Key Management Personnel	From	To
Sri Ajith Kumar K.K, MD & CEO	01.04.2025	31.03.2026
Sri P Suriaraj, Executive Director	01.04.2025	31.03.2026

(₹ in Crores)

Key Management Personnel	Nature of Transaction	2025-26
Sri Ajith Kumar K.K, MD & CEO	Salary Payment	0.60
Sri Ajith Kumar K.K, MD & CEO	Rent/Maintenance Charges/Conveyances/Medical Expenses/Other Perquisites	0.15
Sri P Suriaraj, Executive Director	Salary Payment	0.30
Sri P Suriaraj, Executive Director	Rent/Maintenance charge/Conveyances/Medical Expenses/Driver Salary	0.10

*Sri Ajith Kumar K.K, MD & CEO and Sri P Suriaraj, Executive Director are eligible for variable pay with cash and non-cash components up to a maximum of ₹0.75 Crore and 0.40 Crores respectively based on audited figures for FY 2025-26. Adequate provisions have been made in the financial statements in respect of the same.

There were no related party transactions as per the format prescribed for disclosure. Further, in terms of paragraph 5 of AS 18, transactions in the nature of Banker-Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel.

e) Operating Leases (AS 19)

Operating Leases primarily comprise office premises, staff residences, which are renewable at the option of the Bank. Lease Payments recognized in the Profit and Loss Account are given below:

Particulars	March 31, 2026	March 31, 2025
Operating Lease Payments	33.42	31.92

The Bank has certain non-cancellable outsourcing contracts for branches on rent. The future minimum lease liabilities for such non-cancellable operating leases are given below:

Particulars	March 31, 2026	March 31, 2025
Not later than one year	35.96	31.79
Later than one year and not later than five years	95.38	93.85
Later than five years	35.84	38.87
Total	167.18	164.52

f) Earnings Per Share (AS 20)

Particulars	March 31, 2026	March 31, 2025
Net Profit/ (Loss) after tax (₹ in Crore)	102.75	66.64
Weighted average number of equity shares for Basic EPS	394698851	280808754
Weighted average number of equity shares for Diluted EPS	394698851	280808754
Earnings per share (Basic) in ₹	2.60	2.37
Earnings per share (Diluted) in ₹	2.60	2.37

g) Accounting for Taxes on Income (AS 22)

Bank has made the provision for taxes for the financial year ended 31st March 2026 and 31st March 2025 as given below:

Particulars	March 31, 2026	March 31, 2025
Income Tax (in respect of previous periods)	8.42	6.78
Income Tax (Current Year)	1.86	-
Deferred Tax	25.19	(1.80)

Bank has recognized the Current year provision for Income Tax by exercising the option permitted under Section 115BAA of the Income Tax Act, 1961.

The Net Deferred Tax Asset (DTA) recognized as on 31st March 2025 amounting to ₹ 57.15 Crore has been reviewed and re measured and the net DTA has been recognized as on 31st March 2026 at ₹ 44.58 Crore. The components of Deferred Tax Assets and Liabilities are shown:

Particulars	March 31, 2026	March 31, 2025
Deferred Tax Asset		
Provision for Loans/Investment/Others	31.49	27.51
Depreciation on Fixed Assets	4.34	4.83
Carry forward loss/Depreciation	-	28.68
AFS Reserve – Tax Component	10.57	-
Total (A)	46.40	61.02
Deferred Tax Liability		
Special Reserve u/s 36(1)(viii)	1.51	1.51
DTL on Valuation of Investment Portfolio	0.31	2.36
Total (B)	1.82	3.87
Net Deferred Tax Asset (A-B)	44.58	57.15

h) Intangible Assets (AS 26)

Computer software which are carried at cost of acquisition less accumulated amortization i.e., amortized on a Straight-Line Method basis over the estimated useful lives of 3 to 5 years on a pro rata basis, is accounted under Fixed Assets.

i) Impairment of Assets (AS 28)

In the opinion of the Bank's management, there is no indication of impairment to the assets during the year under review, as per the requirements of Accounting Standard 28 "Impairment of Assets".

16 ADDITIONAL DISCLOSURES

a) Additional Disclosure of Material items

- i) Miscellaneous Income exceeding 1% of Total Income

Particulars	2025-26	2024-25
Processing Charges	33.49	27.37
Recovery from Technical written off accounts	27.31	16.70

- ii) Other Expenditure exceeding 1% of total expenses Nil (Previous Year Nil)
- iii) Other liabilities and Provision- Others exceeding 1% of total assets Nil (Previous Year Nil)
- iv) Other Assets - Nil (Previous Year Nil)

b) Details of single Borrower limit, Group Borrower Limit

The bank had taken single borrower exposure and Group exposure within the prudential limit prescribed by RBI.

Group Exposure	2,469.37
Non-Group Exposure	13,298.74
Total Exposure	15,768.11

c) Description of Contingent Liabilities & Capital Commitments

i) Contingent Liabilities

Sr. No	Particulars*	Brief Description
1	Claims against the Bank not acknowledged as debts	The Bank is a party to various legal proceedings in the normal course of business. In all those cases, bank has not acknowledged the claims raised against the Bank and is defending. Hence the Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, results of operations or cash flows
2	Liability on account of forward exchange and derivative contracts	The Bank enters into foreign exchange contracts and currency swaps with interbank participants and customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate.
3	Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	As a part of its commercial banking activities the Bank issued documentary credit and guarantees on behalf of its customers. Documentary credits such as letters of credit, enhance the credit standing of the customers of the Bank. Guarantees generally represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligations.
4	Other items for which the Bank is contingently liable	Includes Disputed Tax, amount deposited with RBI under Depositor Education Awareness Fund and capital commitments

*Refer Schedule 12 for amounts relating to Contingent Liability

The Bank's pending litigations comprise of claims against the Bank by the clients and proceedings pending with Income Tax authorities/GST/VAT/Service Tax Authorities. The Bank has reviewed all its pending litigations and proceedings and has adequately provided for such liabilities where provisions are required and disclosed the contingent liabilities wherever applicable (other than SCN's), in its financial statements. The Management believes that the possibility of outflow of resources embodying economic benefits in these cases is possible but not probable and hence no provision is required in these cases. However, the contingent liability has been disclosed with respect to the cases, as found required.

ii) Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for are as follows (amount in ₹ Crore)

	March 31, 2026	March 31, 2025
IT related –	13.93	IT related - 17.27
Infra Related	-0.62	Infra Related -0.90

d) Dues to Micro, Small and Medium Enterprises

There have been no reported cases of delayed payments of the principal amount or interest due thereon to Micro, Small and Medium Enterprises.

e) Provision for Long Term Contracts

The Bank has a process whereby periodically all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Bank has reviewed and recorded adequate provision as required under any law / accounting standards for material foreseeable losses on such long-term contracts (including derivative contracts), if any, in the books of account and disclosed the same under the relevant notes in the financial statements.

f) Investor Education and Protection Fund

There was no pending amount to be transferred to the Investor Education and Protection Fund by the Bank in the FY 2025-26.

g) Inter-Bank Participation Certificates with Risk Sharing

There was no purchase or sale of Inter Bank Participation Certificate with risk sharing by bank during year ended March 31, 2026 and March 31, 2025.

h) Fixed Assets

i) Software Capitalized under Fixed Assets

The Bank has capitalized software under Fixed Asset amounting to ₹8.00 Crore and ₹19.62 Crore during the financial year ended March 31, 2025 and March 31, 2026 respectively, as given below:

Particulars	March 31, 2026	March 31, 2025
Opening Balance	137.90	129.90
Additions during the year	19.62	8.00
Deductions during the year	2.10	-
Depreciation to date	121.60	107.33
Net Block	33.82	30.57

ii) Revaluation Reserve

a) Revaluation of Properties

The revaluation of the immovable properties of the bank is done every three years as per the policy of the Bank. The last revaluation was done in the FY 2022-23. During the year 2025-2026, the appreciation of ₹ 7.10 Crore in the value of land and buildings consequent upon revaluation by approved valuers was credited to Revaluation Reserve. Accordingly, the balance as on 31st March 2026 (net of amount transferred to General Reserve) stands at ₹ 164.79 Crore (Previous Year ₹ 158.64 Crore).

j) Inter Office Accounts:

Inter Office Accounts between branches, controlling offices, Corporate Office etc., are being reconciled on an ongoing basis and there is no material effect on the profit and loss account of the current year.

i) Corporate Social Responsibility (CSR)

Due to losses incurred by the Bank from FY 2013 to 2018, in compliance with the provision outlined in Section 198, these losses were offset against profits in subsequent years. Consequently, no profits were available under Section 198 of the Companies Act, for Corporate Social Responsibility purposes. Therefore, the Bank did not undertake any projects under Corporate Social Responsibility for the financial year 2025-26 and 2024-25.

17. Comparative Figures

Previous year figures have been re-grouped/ re-classified wherever considered necessary to conform to current year's classification.

18. Disclosure as to Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014

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(s), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, 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.

Signatories to Schedule 1 to 18

For and on behalf of Board of Directors

Kavitha T A

Chief Financial Officer

Venkatesh H

Company Secretary

K.N Madhusoodanan

Chairman

(DIN 00396796)

Ajith Kumar K.K

MD & CEO

(DIN 08504660)

As per our Report of even Date

For Sagar & Associates,

Chartered Accountants,

Firm Registration No. 003510S

For Abraham & Jose,

Chartered Accountants,

Firm Registration No. 000010S

P. Suriaraj

Executive Director

(DIN 10901432)

G. Rajagopalan Nair

Director

(DIN 08845540)

CA. B Srinivasa Rao,

Partner

Membership No. 202352

CA. Mukesh K P,

Partner

Membership 214773

Dr. Nirmala Padmanabhan

Director

(DIN 09455116)

Vardhini Kalyanaraman

Director

(DIN 09730053)

Jineesh Nath C.K.

Director

(DIN 01476775)

Ashutosh Khajuria

Director

(DIN 05154975)

Place: Thrissur.

Date : 28th April, 2026

Sujatha Jaganathan

Director

(DIN 11387742)

C Nageswara Rao

Director

(DIN 10398566)

PILLAR III DISCLOSURE REQUIREMENTS AS OF 31st March 2026

1. Scope of Application and Capital Adequacy

Dhanlaxmi Bank is a Commercial Bank, which was incorporated on November 14, 1927 in Thrissur, Kerala. The Bank does not have any subsidiary/ Associate companies under its Management.

Table DF 1 –SCOPE OF APPLICATION

Name of the head of the banking group to which the framework applies: Dhanlaxmi Bank Ltd
Bank has no subsidiaries

Name of the entity / Country of incorporation	Whether the entity is included under accounting scope of consolidation (yes / no)	Explain the method of consolidation	Whether the entity is included under regulatory scope of consolidation (yes / no)	Explain the method of consolidation	Explain the reasons for difference in the method of consolidation	Explain the reasons if consolidated under only one of the scopes of consolidation
Dhanlaxmi Bank Ltd, India	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

(i) Qualitative Disclosures:

- List of group entities considered for consolidation: Nil
- List of group entities not considered for consolidation both under the accounting and regulatory scope of consolidation

Name of the entity / country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% Of bank's holding in the total equity	Regulatory treatment of bank's investments in the capital instruments of the entity	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)
Nil					

Any restrictions or impediments on transfer of funds or regulatory capital within the banking group: Nil

TABLE DF 2 - CAPITAL ADEQUACY

Qualitative disclosures:

Basel- III guidelines issued by RBI

Reserve Bank of India had issued Guidelines based on the Basel III reforms on capital regulation in May 2012, to the extent applicable to Banks operating in India. The Basel III capital regulation has been implemented from April 1, 2013 in India and the Bank is subject to the compliance with the regulatory limits and minimum CRAR prescribed under Basel III Capital Regulation on an ongoing basis. The Basel III Capital Regulations is as per the RBI Directions RBI/DOR/2025-26/151 DOR.CAPREC.70/21-01-002/2025-26 dated November 28, 2025 (latest updated as on 08.05.2026).

Basel III Capital regulations continue to be based on 3 mutually reinforcing Pillars viz, Minimum Capital requirements (Pillar I), Supervisory Review and Evaluation Process (Pillar II) and Market Discipline (Pillar III). The circular also prescribes the risk weights, for the Balance Sheet assets, non-funded items and other off Balance Sheet exposures and the minimum Capital Funds to be maintained as a ratio to the aggregate of the Risk Weighted Assets (RWA) and other exposures, as also, capital requirements in the Trading book, on an ongoing basis and Operational risk. The Basel-III norms mainly seek to:

- Raise the quality of capital to ensure that the Banks are capable to absorb losses on both as going concern and as gone concern basis,
- Increase the risk coverage of the capital framework
- Introduce Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR) and Leverage Ratio to serve as a backstop to the risk-based capital measure.
- Raise the standards for the Supervisory Review and Evaluation Process and Public Disclosures etc.

The macro prudential aspects of Basel III are largely enshrined in the capital buffers, viz., Capital Conservation Buffer and Counter Cyclical Capital Buffer. Both the buffers are intended to protect the Banking sector from stress situations and business cycles. The Capital Conservation Buffer requirements started from March 31, 2016 and are fully implemented by October 1, 2021.

Summary

(i) Tier I Capital: Tier I capital of the Bank includes

- Equity Share Capital
- Reserves & Surpluses comprising of
 - ✓ Statutory Reserves,
 - ✓ Capital Reserves,
 - ✓ Share Premium and
 - ✓ Balance in P&L Account
 - ✓ Revaluation Reserves
 - ✓ Special Reserves

(a) Common Equity Tier I

The Bank has authorized share capital of ₹ 500 Cr, comprising 50 Cr equity shares of ₹10/- each. As on 31st March 2026, the Bank has Issued, Subscribed and Paid-up capital of ₹ 3,94,69,88,510/-, constituting 39,46,98,851 Equity shares of ₹ 10/- each. The Bank's shares are listed on the National Stock Exchange of India Limited (NSE) and the Bombay Stock Exchange Limited (BSE).

(b) Additional Tier I Capital

As on 31st March, 2026 the Bank does not have Additional Tier I Capital.

(ii) Tier 2 Capital includes Investment Fluctuation Reserves, Standard Asset Provisions, Investment Reserves, Provision for Restructured Standard Assets & Advances and Tier II Bonds.

Debt Capital Instruments:

The Bank has been raising capital funds by means of issuance of Upper Tier 2 Bonds and Subordinated Bonds. The details of eligible Upper Tier 2 and Subordinated Debt (Unsecured Redeemable Non-Convertible Subordinated Bonds in the nature of Promissory Notes/ Debentures) issued by the Bank and outstanding as on March 31, 2026, are given below. The Bonds considered in computation of Tier 2 Capital is as per the criteria for inclusion of Debt Capital Instruments as Tier 2 Capital detailed in the Basel III Master Directions.

(₹ in Cr)

Series	Coupon (%)	Date of Allotment	Maturity Date	Amount of Issue *
Series XV	Payable annually @ 10.50%	07.04.2025	06.04.2035	150.00

*Bond amount is fully eligible for Tier 2 Capital under Basel III.

Quantitative Disclosures:

Risk exposure and assessment

Besides computing CRAR under the Pillar I requirement, the Bank also periodically undertakes Stress Testing in various risk areas to assess the impact of stressed scenario or plausible events on asset quality, liquidity, profitability and capital adequacy. The Bank conducts Internal Capital Adequacy Assessment Process (ICAAP) on annual basis to assess the sufficiency of its capital funds to cover the risks specified under Pillar II of Basel guidelines. The adequacy of Bank's capital funds to meet the future business growth is also assessed in the ICAAP Document. Capital requirement for current business levels and framework for assessing capital requirement for future business levels has been made. Capital requirement and Capital optimization are monitored periodically by the Committee of Senior Management (ALCO). The Senior Management deliberates on various options available for capital augmentation in tune with business growth. Based on these reports submitted by Senior Management, the Board of Directors evaluates the available capital sources, forecasts the capital requirements and capital adequacy of the Bank and ensures that the capital available for the Bank at all times is in line with the Risk Appetite of the Bank.

Composition of Capital as on 31.03.2026

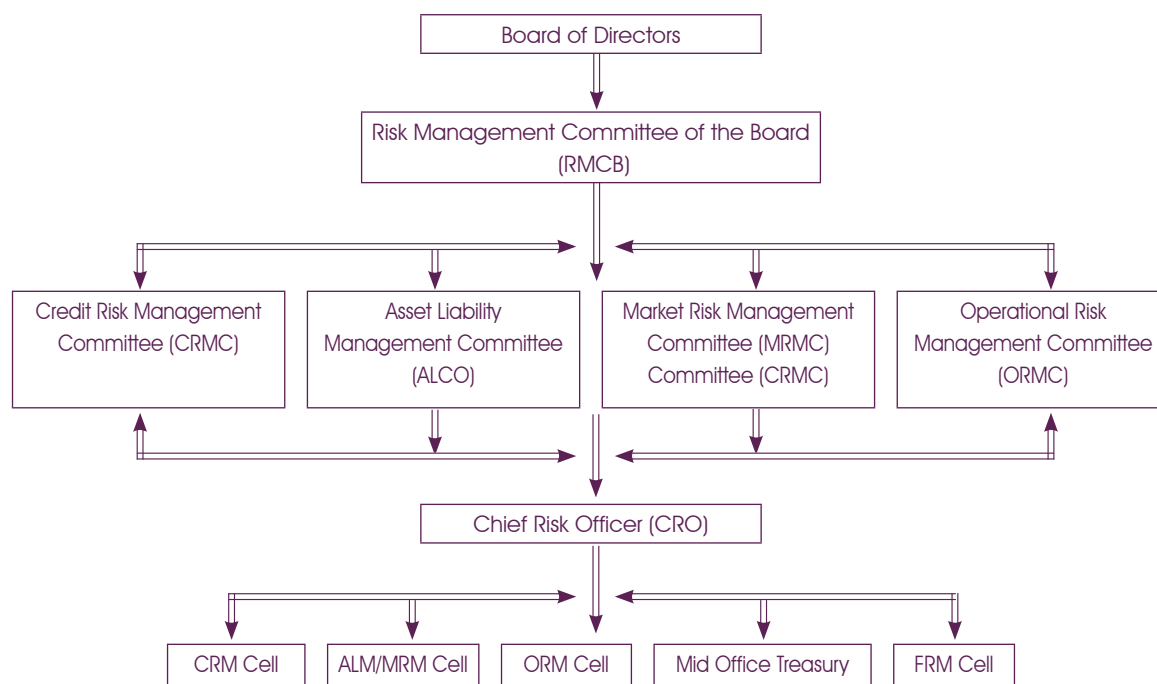
Items	₹ in Crores
Paid-up Share Capital	394.70
Reserves	1637.23
Common Equity Tier 1 Capital before deductions	2031.93
Less amounts deducted from Tier I capital (AFS reserve, Unrealized gains on level 3 instruments included in Re-serves, accumulated losses, DTA , Intangible Assets and Valuation Adjustments on Illiquid securities).	692.16
(a) Common Equity Tier 1 Capital	1339.77
(b) Additional Tier-I Capital	0.00
(c) Total Tier-I Capital (a)+(b)	1339.77
Directly issued Tier II capital instruments subject to phase out	150.00
General Provisions/ Investment Reserves/ Investment Fluctuation Reserves	83.46
(d) Total Tier 2 Capital	233.46
Total Eligible Capital (c)+(d)	1573.23

The Bank is following Standardised Approach, Standardised Duration Approach and Basic Indicator Approach for measurement of capital charge in respect of Credit Risk, Market Risk and Operational Risk respectively. The Capital requirements for Credit Risk, Market Risk and Operational Risk and the Common Equity Tier 1, Tier 2 and Total Capital Ratios are given below:

₹ in Cr

Items	31.03.2026
(a) Capital requirements for Credit risk	
Portfolios subject to Standardised Approach (11.50%)	797.21
Securitization exposures	
(b) Capital requirements for Market risk- Standardised Duration approach	6.47
Interest rate risk	3.99
Foreign exchange risk (including gold)	2.48
Equity position risk	0.01
(c) Capital requirements for Operational risk	104.25
Basic Indicator Approach	104.25
Total Capital Funds Required @ 11.50% [(a)+(b)+(c)]	907.93
Total Capital Funds Available	1573.23
Total Risk Weighted Assets	8316.23
(d) Common Equity Tier 1, Tier 2 and Total Capital Ratios	
Common Equity Tier 1 CRAR (%)	16.11%
Tier 2 CRAR (%)	2.81%
Total CRAR % for the Bank	18.92%

Structure and Organization of the Risk Management function in the Bank



Risk exposure and assessment

The Bank has adopted an integrated approach for the management of risk. The Bank's Integrated Risk Management Department (IRMD) is the organisational arm for risk management functions. The Bank has developed a comprehensive risk rating system that serves as a single point indicator of diverse risk factors of counterparty and for taking credit decisions in a consistent manner. Major initiatives of IRMD are –

- ✓ Risk rating system is drawn up in a structured manner incorporating the parameters from the 5 main risk areas 1) Financial Risk, 2) Industry/ Market Risk, 3) Business Risk, 4) Management Risk, and 5) Facility risk
- ✓ Risk rating system is made applicable for loan accounts with total limits of ₹2 lakhs and above.
- ✓ Different Rating Models are used for different types of exposures, for eg. Traders, SME, NBFC, Corporate, Small Loans, Retail Loans etc.
- ✓ IRMD validates the ratings of all exposures of ₹100 lakhs and above.

- ✓ An independent analysis is carried out of the various risks attached to the credit proposals including industry analysis.
- ✓ Rating Migration analysis covering all exposures of ₹5 Cr and above is conducted on quarterly basis and migration analysis of exposures of ₹1 Cr & above is conducted on a half yearly basis. Rating Migration analysis covering all exposures of ₹25 lakhs and above is conducted on annual basis; Evaluates the asset quality by tracking the delinquencies and migration of borrower from one rating scale to another.

Credit facilities are sanctioned at various levels in accordance with the delegation approved by the Board. The Bank has in place the following hierarchical functionaries with delegated powers for credit sanction and administration:

- Branch Head with Assistant Branch Manager, jointly,
- Regional Credit Committee (RCC)
- RACC
- Corporate Credit Committee (CCC)
- Corporate Credit Committee (CCC1)
- Credit and Business Committee of the Board (CBCB)
- Board of Directors

Policies for hedging and/or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/ mitigants

The Bank has put in place a Board approved Policy on Credit Risk Mitigation Techniques and Collateral Management, covering the Credit Risk mitigation techniques used by the Bank for both risk management and capital computation purposes. Apart from the Basel defined collateral, the Bank ensures securities by way of inventories, Book Debts, Plant & Machineries, Land & Buildings and other moveable/ immovable assets/ properties. The Bank also accepts Personal/ Corporate guarantee as an additional comfort for Credit Risk mitigation. The securities are subjected to proper valuation as prescribed in the Credit Policy of the Bank.

Bank has laid down detailed guidelines on documentation to ensure legal certainty of Bank's charge on collaterals. In order to ensure that documents are properly executed, the function has been brought under the purview of Credit Officers. The Credit Officers at branches ensure documentation, ground level follow up, collection of feedback, closer monitoring of accounts, quality of asset portfolios, statistical analyses, reporting of irregularities, providing guidelines, compliance with policy prescriptions and adherence to terms of sanction.

The Bank has an exclusive set up for Credit Monitoring functions in order to have greater thrust on post sanction monitoring of loans and strengthen administering the various tools available under the Bank's policies on loan review mechanism. For effective loan review, the Bank has the following in place:

- On site monitoring tools like Inspection of Assets/ Books/ Stock of the borrower, Stock audit, Operations in the account, Payment of statutory dues etc.
- Recording of loan sanctioned by each sanctioning authority by the next higher authority.
- Offsite monitoring tools like Financial Follow-up Reports, verification of various statutory returns, Audit Reports etc.

TABLE DF 3 – CREDIT RISK: GENERAL DISCLOSURES

Qualitative disclosures:

(a) General:

Definitions of Past Due and Impaired (for accounting purposes)

The Bank has adopted the definition of the Past Due and Impaired (for accounting purposes) as defined by the Regulator for income recognition and these asset classification norms are furnished below:

1. Non-Performing Assets

An asset, including a leased asset, becomes non-performing when it ceases to generate income for the bank.

A non-performing asset (NPA) is a loan or an advance where;

- a) interest and/ or installment of principal remains overdue for a period of more than 90 days in respect of a term loan,
- b) the account remains 'out of order' as indicated at paragraph 2 below, in respect of an Overdraft/ Cash Credit (OD/ CC),
- c) the bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted,
- d) the installment of principal or interest thereon remains overdue for two crop seasons for short duration crops,
- e) the installment of principal or interest thereon remains overdue for one crop season for long duration crops,
- f) the amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitisation transaction undertaken in terms of the Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021.
- g) in respect of derivative transactions, the overdue receivables representing positive mark-to-market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date for payment.

In addition, an account may also be classified as NPA in terms of any temporary deficiencies as defined by the Regulator.

2. **'Out of Order' status:** An account is treated as **'Out of Order'** if the outstanding balance in the CC/OD account remains continuously in excess of the sanctioned limit/drawing power for 90 days, or the outstanding balance in the CC/ OD account is less than the sanctioned limit/drawing power but there are no credits continuously for 90 days, or the outstanding balance in the CC/ OD account is less than the sanctioned limit/ drawing power but credits are not enough to cover the interest debited during the previous 90 days period.

3. **'Overdue':**

Any amount due to the bank under any credit facility is 'overdue' if it is not paid on the due date fixed by the bank. The borrower accounts shall be flagged as overdue by the banks as part of their day-end processes for the due date, irrespective of the time of running such processes.

Strategies and Processes for Credit Risk Management

Credit Risk Management Committee (CRMC) headed by MD & CEO is the highest-level executive committee for Credit Risk management. The committee considers and takes decisions necessary to manage and control Credit Risk within overall quantitative prudential limit set up by Board. The committee is entrusted with the job of recommending to the Board for its approval, clear policies on standards for presentation of credit proposals, fine-tuning required in various rating models based on feedbacks or change in market scenario, approval of any other action necessary to comply with requirements set forth in Credit Risk Management Policy/ RBI guidelines or otherwise required for managing credit risk.

The Bank's strategies to manage the credit risks in its lending operations are as under:

- a) The Bank has a Comprehensive Board Approved Credit Risk Management Policy which is reviewed and revised annually. In addition to the above, various strategies with regard to Credit Risk management are covered under Bank's Credit Policy, Credit Monitoring Policy and Recovery Policy which are periodically reviewed by the Board.
- b) Defined segment exposures are delineated into Retail, SME and Corporates
- c) Industry wise exposure caps on aggregate lending by Bank
- d) Individual borrower wise caps on lending as well as borrower group wise lending caps linked as a percentage to the Bank's capital funds in line with RBI guidelines.
- e) Credit rating of borrowers and allowing credit exposures only to defined thresholds of risk levels
- f) A well-defined approach to sourcing and preliminary due diligence while sourcing fresh credit accounts
- g) A clear and well-defined delegation of authority within the Bank with regard to decision making, linking exposure, rating and transaction risks.
- h) Regular review of all credit structures and caps, continuously strengthening credit processes, and monitoring oversight which are regularly reviewed and duly approved by the Board of the Bank.
- i) Credit Risk Management Cell is validating the rating assigned to all individual credit exposures of Rs100 Lakh and above.
- j) Bank has an ever-improving procedures and structures with respect to Credit Approval Process, Credit Rating, Prudential Limits, Documentation, Credit Monitoring and Review Mechanism.
- k) Credit Audit System by Internal/ External Auditors has been put in place for all ₹1Cr and above advances. For all loans/ advances of aggregate sanctioned amount of ₹1 Cr and above, Credit Audit is conducted within 30 days from the date of disbursement. For Takeover accounts of ₹1 Cr and above, Credit Audit is conducted within 15 days from the date of disbursement and one more Credit Audit is conducted in the immediate succeeding year. In respect of standard accounts with fund based working capital limit of ₹3 Cr and above and in respect of standalone Term loans of ₹5 Cr and above, Credit audit is conducted every year.
- l) Legal Audit is conducted for all eligible loan accounts having an exposure of ₹1 Cr and above mandatorily. In respect of advances of ₹1 Cr and below ₹5 Cr, Legal Audit is conducted as a onetime measure and in respect of advances of ₹5 Cr and above, Legal Audit is conducted every year.
- m) The review of accounts is usually done once in a year. But in case of deterioration of the quality of advance the frequency of review is shortened to half yearly or quarterly as per the case.
- n) The Credit Officers at branch level take care of the security creation and account management
- o) Credit Monitoring Department monitors the performance of loan assets of the Bank.
- p) Bank also carries out industry study which would provide necessary information to Business line to increase/ hold/ decrease exposure under various industries.

Quantitative disclosures:

- (a) Total Gross Credit exposures as on 31st March 2026: (After accounting offsets in accordance with applicable accounting regime and without taking into account the effects of credit risk mitigation techniques e.g. Collateral and netting)

Overall credit exposure		Amount (In Cr)	Total (In Cr)
Fund Based	Loans & advances	15129.04	17159.07
	Cash, RBI and Banks	1071.80	
	Others (Fixed Assets & other Assets)	958.23	
Non-Fund Based	LC, BG etc	289.65	1255.13
	Forward Contracts/ Interest rate SWAPS	145.27	
	Others	820.21	
Investments (Banking Book only)		–	4275.89
Total of Credit Risk exposure		–	22690.10

- (b) Geographic distribution of exposures:

Exposures	31.03.2026 (₹ in Crore)		
	Fund based	Non-Fund Based	TOTAL
Domestic operations	21434.97	1255.13	22690.10
Overseas operations	Bank has no overseas operations		

- (c) Industry type distribution of exposures as on 31.03.2026:

Particulars	Funded Exposures Gross advance (₹ in Crore)
A. Mining and Quarrying	1.95
B. Food Processing	78.14
C. Beverages (excluding Tea & Coffee) and Tobacco	9.04
D. Textiles	86.34
E. Leather and Leather products	6.15
F. Wood and Wood Products	10.31
G. Paper and Paper Products	9.59
H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear fuels	0
I. Chemicals and Chemical Products (Dyes, Paints, etc.)	20.11
J. Rubber, Plastic and their Products	8.35
K. Glass & Glassware	0.00
L. Cement and Cement Products	3.37
M. Basic Metal and Metal Products	11.80
N. All Engineering	22.47
O. Vehicles, Vehicle Parts and Transport Equipments	3.39
P. Gems and Jewellery	260.81
Q. Construction	162.99
R. Infrastructure	484.56
S. Other Industries	24.29
All Industries (A to S)	1203.63
Residuary other advances	13925.41
Gross Advances	15129.04

Exposures to Infrastructure (Transport, Energy, Water sanitation, Communication etc.), Gems & Jewellery and Construction accounted for 3.20%, 1.72% and 1.08% of Gross Advances outstanding, respectively.

(d) Top 5 Industry wise NPA as on 31.03.2026:

(₹ in Cr.)

Sl No.	Industry	Gross Advance	Gross NPA	Provision
1.	Construction	162.99	34.20	13.01
2.	Basic Metal and Metal products	11.80	6.13	5.04
3.	Food Processing	78.14	5.24	3.75
4.	Textiles	86.34	3.29	2.04
5.	All Engineering	22.47	0.89	0.22
Total		361.73	49.75	24.06

(e) Residual maturity breakdown of assets as on 31.03.2026:

(₹ in Cr.)

Maturity Pattern Assets	Advances (Net)	Investments (Gross)	Foreign Currency Assets
Next Day	98.71	-	277.52
2 - 7 Days	57.94	-	6.16
8 - 14 Days	108.80	-	0.64
15 - 30 Days	444.43	-	-
31 D - 2 M	767.99	15.03	4.73
2 - 3 Months	954.69	30.11	14.11
3 - 6 Months	4334.2	228.31	49.18
6 Months - 1 Year	2759.36	363.20	65.82
1 Year - 3 Years	1502.11	816.19	-
3 - 5 Years	1149.2	833.98	-
Over 5 Years	2740.63	1970.63	-
Total	14918.06	4257.44	418.16

(f) Non Performing Assets:

Sl. No.	Items	Amount in ₹ in Million 31.03.2025
1	Gross NPAs	286.38
1.1	Substandard	105.05
1.2	Doubtful 1	25.58
1.3	Doubtful 2	76.73
1.4	Doubtful 3	22.39
1.5	Loss	56.64
2	Net NPAs	75.40
3	NPA Ratios	
3.1	Gross NPAs to Gross Advances (%)	1.89%
3.2	Net NPAs to Net Advances (%)	0.51%
4	Movement of NPAs (Gross)	
4.1	Opening balance	364.11
4.2	Additions	178.49
4.3	Reductions	256.22
4.4	Closing balance	286.38
5	Movement of provisions for NPAs	
5.1	Opening balance	242.92
5.2	Provisions made during the FY	113.68
5.3	Reductions	147.59
5.4	Closing balance	209.00
6	Amount of Non Performing Investments (NPI)	-
7	Amount of provisions held for NPI	-
8	Movement of Provisions held for NPIs	-
8.1	Opening balance	-
8.2	Provisions made during the period	-
	Provisions adjusted with value of Investments	-
8.3	Write-off/ Write back of excess provisions	-
8.4	Closing balance	-

Table DF 4 – DISCLOSURES FOR PORTFOLIOS SUBJECT TO THE STANDARDISED APPROACH
Qualitative disclosures:
(a) For Portfolios under the Standardised Approach

1	Names of credit rating agencies used	Bank has approved all the External Credit Rating agencies accredited by RBI for the purpose of credit risk rating of domestic borrowal accounts, i.e. CRISIL Ratings Ltd, CARE, India Ratings & Research Pvt. Ltd (India Ratings), Brickworks, ICRA, ACUTE rating & Research Ltd, Infomerics Valuation and Rating Ltd and International Credit Rating agencies, i.e, Standard and Poor/ Fitch and Moody's.
2	Changes if any, since prior period disclosure in the identified rating agencies and reasons for the same.	No change
3	Types of exposure for which each agency is used	The External Credit Rating assigned by an agency is considered only if it fully takes into account the credit exposure of the Bank. Bank is entitled to use the ratings of all the above identified Rating Agency rating for various types of exposures as follows: (i) For Exposure with a contractual maturity of less than or equal to one year (except Cash Credit, Overdraft and other Revolving Credits), Short -Term Rating given by ECRA will be applicable (ii) For Domestic Cash Credit, Overdrafts and other Revolving Credits (irrespective of the period) and/ or Term Loan exposures of over one year, Long Term Rating will be applicable. (iii) For Overseas exposures, irrespective of the contractual maturity, Long Term Rating given by IRAs will be applicable. (iv) Rating by the agencies is used for both fund based and non-fund based exposures. (v) Rating assigned to one particular entity within a corporate group cannot be used to risk weight other entities within the same group.
4	Description of the process used to transfer public issue rating on to comparable assets in the Banking book.	Long -term Issue Specific (our own exposures or other issuance of debt by the same borrower-constituent/ counter-party) Ratings or Issuer (borrower-constituent/ counter-party) Ratings can be applied to other unrated exposures of the same borrower-constituent/ counterparty in the following cases: (i) If the Issue Specific Rating or Issuer Rating maps to Risk Weight equal to or higher than the unrated exposures, any other unrated exposure on the same counter-party will be assigned the same Risk Weight, if the exposure ranks paripassu or junior to the rated exposure in all aspects (ii) In cases where the borrower-constituent/ counter-party has issued a debt (which is not a borrowing from our Bank), the rating given to that debt may be applied to Bank's unrated exposures if the Bank's exposure ranks paripassu or senior to the specific rated debt in all respects and the maturity of unrated Bank's exposure is not later than Maturity of rated debt.

Quantitative disclosures

Amount of Bank's outstanding in major risk buckets- under standardised approach after factoring risk mitigants (i.e., collaterals) (includes Banking Book exposure of Investments):

(₹ in Cr)

Particulars	Total
Below 100% risk weight	11188.29
100% risk weight	2596.04
More than 100% risk weight	845.81
Total Net Exposure	14630.15

TABLE DF 5 – CREDIT RISK MITIGATION- STANDARDISED APPROACH**Qualitative Disclosure:****(a) General****Policies and processes for collateral valuation and management:**

The Bank has put in place a Board approved policy on Credit Risk Mitigation Techniques and Collateral Management, covering the Credit Risk mitigation techniques used by the Bank for both risk management and capital computation purposes.

A description of the main types of collateral taken by the Bank

Collateral used by the Bank as risk mitigants for capital computation under Standardised Approach comprise eligible financial collaterals namely:

- Cash and fixed deposits of the counterparty with the Bank.
- Gold: value arrived at after notionally converting these to 99.99% purity.
- Securities issued by Central and State Governments.
- Kisan Vikas Patra and National Savings Certificates provided no lock-in period is operational and if they can be encashed within the holding period.
- Life Insurance Policies restricted to their surrender value.
- Debt securities rated by an approved Credit Rating Agency.
- Unrated Debt securities issued by Banks, listed in Stock Exchange.
- Units of Mutual Funds.

Bank has no practice of 'On Balance Sheet' netting for Credit Risk Mitigation.**The main types of Guarantor Counterparty and their creditworthiness**

Bank accepts guarantees of Individuals or Corporates with adequate Net Worth, as an additional comfort for mitigation of credit risk which can be translated into a direct claim on the guarantor and are unconditional and irrevocable. Main types of guarantor counterparty as per RBI guidelines are:

- Sovereigns (Central/ State Governments)
- Sovereign entities like ECGC, CGTMSE, CGFMU, CGFSEL, CRGFTLIH, NCGTC.
- Bank and Primary Dealers with a lower risk weight than the counterparty
- Other entities rated AA (-) and above. The Guarantees has to be issued by entities with a lower risk weight than the counterparty.

Information about risk concentrations of collaterals within the mitigation taken as on 31.03.2026:

Financial Risk Mitigants	Outstanding Covered by Risk Mitigants (In Cr)	Risk Concentration %
Gold	6451.61	90.71%
Cash & Deposits	563.91	7.93%
Guarantee	89.87	1.26%
LIC Policy	5.98	0.08%
KVP/VP/NSC	0.65	0.01%
Total	7112.01	100.00%

Majority of the financial collaterals held by the Bank are by way of Gold, own Deposits, Life Insurance Policies and other approved securities. Bank does not envisage market liquidity risk in respect of financial collaterals.

Concentration on account of collateral is also relevant in the case of Land & Building. However, as Land & Building is not recognised as eligible collateral under Basel III Standardised Approach, its value is not reduced from the amount of exposure in the process of computation of capital charge. It is used only in the case of Housing Loan to individuals and Non Performing Assets to determine the appropriate risk weight. As such, there is no concentration risk on account of nature of collaterals.

Quantitative Disclosures:

For the disclosed Credit Risk portfolio under the Standardised Approach, the total

Exposure that is covered by:

- (i) Eligible Financial Collateral : ₹ 7112.01 Cr
- (ii) Other eligible Collateral (after Hair Cuts) : ₹ Nil

TABLE DF 6- SECURITISATION – STANDARDISED APPROACH:
Qualitative Disclosures:

- ❖ Bank has not securitised any of its standard assets till date.

TABLE DF7 - MARKET RISK IN TRADING BOOK- STANDARDISED DURATION APPROACH:
Qualitative Disclosures:
(a) General :
Strategies and processes

The overall objective of Market Risk management is to maximise shareholder value by improving the Bank's competitive advantage and reducing loss from all types of market risk loss events. For effective management of Market Risk, Bank has put in place a well-established framework with the Integrated Treasury Management Policy, Market Risk Management Policy and Asset Liability Management Policy. The Asset Liability Management Committee is responsible for establishing Market Risk management and Asset Liability management in the Bank. ALCO is a decision-making unit responsible for Balance Sheet planning from risk return perspective including the strategic management of Interest Rate and Liquidity Risks. ALCO ensures adherence to the limits set by RBI as well as the Board.

Scope and nature of risk reporting/ measurement systems

The Bank has put in place regulatory/ internal limits for various products and business activities relating to Trading book. Various exposure limits for Market Risk management such as Overnight limit, VaR limit, Daylight limit, Aggregate/ Individual Gap limit, Investment limits etc. are in place. The reporting system ensures time lines, reasonable accuracy with automation, highlight Portfolio risk concentrations and include written analysis. The reporting formats and frequency of reporting are periodically reviewed to ensure that they suffice for risk monitoring, measuring and mitigation requirements of the Bank. Bank also subjects Non SLR investments to credit rating.

Policies for hedging/ mitigating risk and strategies and processes for monitoring the continuing effectiveness of Hedges/ Mitigants:

Board approved policies viz., Integrated Treasury Management Policy and Asset Liability Management Policy provides the framework for risk assessment, identification, measurement and mitigation, risk limits & triggers, risk monitoring and reporting.

Liquidity risk of the Bank is assessed through Structural Liquidity Statement which is prepared on a daily basis. The Bank also reviews various Liquidity Ratios on a monthly basis in order to control the liquidity position. On monthly basis, Interest Rate Risk is analyzed from earnings perspective using Traditional Gap Analysis and economic value perspective using Duration Gap Analysis. Stress Tests are conducted at quarterly intervals to assess the impact of various contingencies on the Bank's earnings and the capital position.

The Bank uses Standardised Duration Approach for computation of Market Risk Capital charge on the Investment Portfolio held under HFT and AFS, Gold and Forex Open positions. The Market Risk Capital charge is calculated on a daily basis and reported to ALCO.

Quantitative Disclosures:

Particulars	Capital requirement for market risk- Standardised Duration approach 31.03.2026 (₹ in Cr)
Interest Rate Risk	3.99
Equity position risk	0.01
Foreign exchange risk	2.48

TABLE DF 08- OPERATIONAL RISK:
Qualitative disclosures:
(a) General

Strategies and processes: The Bank's strategy is to ensure that (1) the Operational risks which are inherent in Process, People and System and (2) the residual risks, are well managed by the implementation of effective Risk management techniques. Keeping this in view, the Bank has been following risk management measures which address the risks before and after implementation of a Process, Product and System. Before all new Products, Processes and Systems are cleared by the Product & Process Approval Committee (PPAC), they are risk vetted by the Operational Risk Management (ORM) cell. The ORM cell has completed Risk & Control Self-Assessment (RCSA) of thrust branches and other core functions highlighting the potential risks that can happen during the course of operations and to assess whether the controls are adequate to manage/ mitigate these risks. Risk Based Internal Audit is in place in all the Branches. The Bank has a RCSA Document approved by the Risk Management Committee of the Board (RMCB) and Board. The framework for Operational Risk Management is well defined in the Operational Risk Management (ORM) Policy which is reviewed and revised annually. The ORM Committee at the executive level, which meets at regular intervals oversees Bank wide implementation of Board approved policies and process in this regard. The Bank has put in place important policies like Information System Security Policy, Policy on Know Your Customer & Anti Money Laundering, Fraud Risk Management Policy, Business Continuity and Disaster Recovery Management Plan.

Scope and nature of risk reporting/ measurement systems:

The Bank has adopted Operational Loss Data Reporting Format from the Loss Data Methodology Document for collection of Loss Data, which will enable the Bank to eventually ease the transition to Advanced Measurement Approach for Capital Calculation. The ORM cell has a well-built internal Loss Data collection system in place. The risk reporting consists of operational risk loss incidents/ events occurred in branches/ offices relating to people, process, technology and external events.

Policies for hedging and/or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/ mitigants:

Internal control mechanism is in place to control and minimise the operational risks. If any controls are found to be ineffective during the course of Risk & Control Self-Assessment (RCSA), corrective measures are adopted in due course. A monitoring system is also in place for tracking the corrective actions plan periodically. Bank is using insurance for mitigating operational risk. The various Board approved policies viz., Operational Risk Management Policy, Outsourcing Policy, Compliance Policy, Audit & Inspection Policy, Internet Banking Security Policy; Policy on KYC & AML; Information Systems Security Policy and Business Continuity Plans addresses issues pertaining to Operational Risk Management.

Operational Risk Capital assessment:

The Bank has adopted Basic Indicator Approach for calculating capital charge for Operational Risk, as stipulated by the Reserve Bank of India. The ORM Cell is focusing on the qualitative and quantitative requirements (RCSA, KRI identification, Business Line mapping etc) prescribed by the regulator and these are being adopted by the Bank to move on to the Advanced Approaches in due course.

TABLE DF 09- INTEREST RATE RISK IN THE BANKING BOOK (IRRBB):

(a) Qualitative Disclosures:

Strategies and processes

The Bank has put in place a comprehensive Market Risk management framework to address market risks. The Asset Liability Management Policy prescribes the measurement of the Interest Rate Risk under two perspectives – Earnings Perspective and Economic Value Perspective.

Under Earnings perspective, Bank uses the Traditional Gap Analysis method to calculate the Earnings at Risk (EaR), which is the quantity by which net income might change in the event of an adverse change in interest rate. EaR is calculated on a fortnightly basis.

Under Economic Value Perspective, Bank uses Duration Gap Analysis to assess the impact of interest rate risk. The Duration Gap Analysis monitors the impact of changes in the interest rates on the Market Value of Equity (MVE). It is calculated on a monthly basis. The framework for managing Interest Rate Risk on the Economic Value of Equity (EVE) under Pillar II of Basel III is put in place through ICAAP Policy Document.

Scope and nature of risk reporting/ measurement systems

Interest Rate Risk under Duration Gap Analysis is evaluated on a monthly basis. The likely drop in Market Value of Equity for a 200-bps change in interest rates is computed. Earnings at Risk based on Traditional Gap Analysis are calculated on a fortnightly basis and adherence to tolerance limits set in this regard is monitored and reported to ALCO. Stress Tests are conducted to assess the impact of Interest Rate Risk under different stress scenarios on earnings of the Bank.

Policies for hedging/ mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/ mitigants

Bank has operationalised mitigating/ hedging measures prescribed by Treasury Management Policy, Asset Liability Management Policy and Stress Testing Policy. The strategy adopted by ALCO for mitigating the risk is by clearly articulating the acceptable levels of exposure to specific risk types (Interest Rate, Liquidity etc). The process for mitigating the risk is initiated by altering the mix of Asset and Liability composition and with the proper pricing of Advances and Deposits.

Brief description of the approach used for computation of Interest Rate risk

The traditional gap report is generated by grouping rate sensitive liabilities, assets and off-balance sheet positions into time buckets according to residual maturity or next repricing period, whichever is earlier and finding the gaps in each bucket. The gap is the difference between Rate Sensitive Assets (RSA) and Rate Sensitive Liabilities (RSL) for each time bucket. Earning at risk (EaR) is measured as the quantity by which net income might change in the event of an adverse change in interest rates.

The Interest Rate Risk (EVE) is computed through Duration Gap Analysis. The step-by-step approach for computing Modified Duration Gap is as follows:

- i) Identify variables such as principal amount, maturity date/ re pricing date, coupon rate, yield, frequency and basis of interest calculation for each item/ category of Rate Sensitive Asset/ Rate Sensitive Liability (RSA/ RSL).
- ii) Plot each item/ category of RSA/ RSL under the various time buckets. For this purpose, the absolute notional amount of rate sensitive off Balance Sheet items in each time bucket are included in RSA if positive or included in RSL if negative.
- iii) The mid-point of each time bucket is taken as a proxy for the maturity of all assets and liabilities in that time bucket.

- iv) Determine the coupon and the yield curve for arriving at the yields based on current market yields or current replacement cost for computation of Modified Duration (MD) of RSAs and RSLs.
- v) Calculate the Modified Duration (MD) in each time band of each item/ category of RSA/ RSL using the maturity date, yield, coupon rate, frequency, yield and basis for interest calculation.
- vi) Calculate the Modified Duration (MD) of each item/ category of RSA/ RSL as weighted average Modified Duration (MD) of each time band for that item.
- vii) Calculate the weighted average Modified Duration (MD) of all RSA (MDA) and RSL (MDL) to arrive at Modified Duration Gap (MDG).

(b) Quantitative Disclosures

The impact on Earnings at Risk and Economic Value of Equity for notional interest rate shocks as on 31.03.2026.

Earnings at Risk

Change in interest rate	Change in NII (₹ in Crore)
± 25 bps	8.05
± 50 bps	16.10
± 75 bps	24.15
± 100 bps	32.20

The Bank is computing Market Value of Equity based on Duration Gap Analysis.

For a 200 bps rate shock, the drop in equity value as on 31.03.2026	0.53%
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Table DF -10: GENERAL DISCLOSURE FOR EXPOSURE RELATED TO COUNTERPARTY CREDIT RISK

Qualitative disclosures

Counterparty Credit Risk is the risk that the counterparty to a transaction could default before the final settlement of the transaction's cash flows. Bank has put in place Counterparty Credit Risk limits for banks as counterparty, based on a number of financial parameters like Net worth, capital adequacy ratio, rating etc of the counterparty bank and with the approval of the Board. Counterparty exposures for other entities are subject to comprehensive exposure ceilings fixed by the Board. Capital for Counterparty Credit Risk is assessed based on the Standardised Approach

Quantitative disclosures

The Bank does not recognise bilateral netting. The credit equivalent amounts of derivatives that are subjected to risk weighting are calculated as per the Current Exposure Method. The derivative exposure is calculated using Current Exposure Method and the balance outstanding as on March 31, 2026 is given below.

(₹ in Cr)

Particulars	Notional Amounts	Credit Equivalent
Forward Exchange Contracts	120.27	2.43

Table DF -11: COMPOSITION OF CAPITAL

(₹ in Million)

Table DF-11 : Composition of Capital		
Part II : Template to be used during the transition period of Basel III regulatory requirements		
Basel III common disclosure template	Amounts subject to Pre-Basel III Treatment	Ref No.
Common Equity Tier 1 capital: instruments and reserves (₹in Million)		
1 Directly issued qualifying common share capital plus related stock surplus (share premium)	15,507.53	
2 Retained earnings	-	
3 Accumulated other comprehensive income (and other reserves)	4,811.77	
4 Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock CET1 (only applicable to non-joint stock companies)	0	
Public sector capital injections grandfathered until January 1, 2018	0	
5 Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	0	

Table DF-11 : Composition of Capital**Part II : Template to be used during the transition period of Basel III regulatory requirements**

Basel III common disclosure template		Amounts subject to Pre-Basel III Treatment	Ref No.
6	Common Equity Tier 1 capital before regulatory adjustments	20,319.30	
Common Equity Tier 1 capital: regulatory adjustments			
7	Prudential valuation adjustments	515.23	
8	Goodwill (net of related tax liability)	-	
9	Intangibles other than mortgage-servicing rights (net of related tax liability) - (accumulated loss-₹6406.40 mio, and other intangible assets-Nil)	6406.40	
10	Deferred Tax assets	-	
11	Cash-flow hedge reserve	-	
12	Shortfall of provisions to expected losses	-	
13	Securitisation gain on sale	-	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	
15	Defined-benefit pension fund net assets	-	
16	Investments in own shares (if not already netted off paid- in capital on reported balance sheet)	-	
17	Reciprocal cross-holdings in common equity	-	
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	-	
20	Mortgage servicing rights (amount above 10% threshold)	NA	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	445.85	
22	Amount exceeding the 15% threshold	NA	
23	of which: significant investments in the common stock of financial entities	NA	
24	of which: mortgage servicing rights	NA	
25	of which: deferred tax assets arising from temporary differences	NA	
26	National specific regulatory adjustments (26a+26b+26c+26d)	0.00	
26a	of which: Investments in the equity capital of the unconsolidated insurance subsidiaries	-	
26b	of which: Investments in the equity capital of unconsolidated non-financial subsidiaries	-	
26c	of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank	-	
26d	of which: Unamortised pension funds expenditures	0.00	
	Regulatory adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-basel treatment	-	
	of which: [INSERT TYPE OF ADJUSTMENT] For example: filtering out of unrealised losses on AFS debt securities (not relevant in Indian context)	-	
	of which: [INSERT TYPE OF ADJUSTMENT]	-	
	of which: [INSERT TYPE OF ADJUSTMENT]	-	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions		
28	Total regulatory adjustments to Common equity Tier 1	6921.63	
29	Common Equity Tier 1 capital (CET1)	13,397.67	

Table DF-11 : Composition of Capital

Part II : Template to be used during the transition period of Basel III regulatory requirements

Basel III common disclosure template	Amounts subject to Pre-Basel III Treatment	Ref No.
Additional Tier 1 capital: instruments		
30 Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (31 + 32)	-	
31 of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	-	
32 of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	-	
33 Directly issued capital instruments subject to phase out from Additional Tier 1	-	
34 Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-	
35 of which: instruments issued by subsidiaries subject to phase out	-	
36 Additional Tier 1 capital before regulatory adjustments	-	
Additional Tier 1 capital: regulatory instruments		
37 Investments in own Additional Tier 1 Instruments	-	
38 Reciprocal cross-holdings in Additional Tier 1 Instruments	-	
39 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	
40 Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
41 National specific regulatory adjustments (41a + 41b)	-	
41a Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	-	
41b Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank	-	
Regulatory Adjustments Applied to Additional Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment	-	
of which: Deferred Tax Assets (not associated with accumulated losses) net of Deferred Tax Liabilities	-	
of which: [INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are deducted from Tier 1 at 50%]	-	
of which: [INSERT TYPE OF ADJUSTMENT]	-	
42 Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	
43 Total regulatory adjustments to Additional Tier 1 capital	-	
44 Additional Tier 1 capital (AT1)	-	
44a Additional Tier 1 capital reckoned for capital adequacy		
45 Tier 1 capital (T1 = CET1 + AT1) (29 + 44a)	13,397.67	
Tier 2 capital: instruments and provisions		
46 Directly issued qualifying Tier 2 instruments plus related stock surplus	-	
47 Directly issued capital instruments subject to phase out from Tier 2	1500.00	
48 Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-	
49 of which: instruments issued by subsidiaries subject to phase out	-	

Table DF-11 : Composition of Capital

Part II : Template to be used during the transition period of Basel III regulatory requirements

Basel III common disclosure template		Amounts subject to Pre-Basel III Treatment	Ref No.
50	Provisions	834.65	
51	Tier 2 capital before regulatory adjustments	2,334.65	
Tier 2 capital: regulatory adjustments			
52	Investments in own Tier 2 instruments	-	
53	Reciprocal cross-holdings in Tier 2 instruments	-	
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	-	
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
56	National specific regulatory adjustments (56a+56b)	-	
56a	of which: Investments in the Tier 2 capital of unconsolidated subsidiaries	-	
56b	of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank	-	
	Regulatory Adjustments Applied To Tier 2 in respect of Amounts Subject to Pre-Basel III Treatment	-	
	of which: [INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are deducted from Tier 2 at 50%]	-	
	of which: [INSERT TYPE OF ADJUSTMENT]	-	
57	Total regulatory adjustments to Tier 2 capital	-	
58	Tier 2 capital (T2)	2,334.65	
58a	Tier 2 capital reckoned for capital adequacy	2,334.65	
58b	Excess Additional Tier 1 capital reckoned as Tier 2 capital	0	
58c	Total Tier 2 capital admissible for capital adequacy (58a + 58b)	2,334.65	
59	Total capital (TC = T1 + T2) (45 + 58c)	15,732.32	
	Risk Weighted Assets in respect of Amounts subject to Pre-Basel III Treatment	-	
	of which:	-	
	of which: ...	-	
60	Total risk weighted assets (60a + 60b + 60c)	83,162.30	
60a	of which: total credit risk weighted assets	69,322.23	
60b	of which: total market risk weighted assets	809.31	
60c	of which: total operational risk weighted assets	,13,030.75	
Capital ratios			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	16.11%	
62	Tier 1 (as a percentage of risk weighted assets)	16.11%	
63	Total capital (as a percentage of risk weighted assets)	18.92%	
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)	NA	
65	of which: capital conservation buffer requirement	NA	
66	of which: bank specific countercyclical buffer requirement	NA	
67	of which: G-SIB buffer requirement	NA	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets) National minima (if different from Basel III)	-	
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%	
70	National Tier 1 minimum ratio (if different from Basel III minimum) - including CCB of 2.5%	9.50%	

Table DF-11 : Composition of Capital

Part II : Template to be used during the transition period of Basel III regulatory requirements

Basel III common disclosure template		Amounts subject to Pre-Basel III Treatment	Ref No.
71	National total capital minimum ratio (if different from Basel III minimum) - including CCB of 2.5%	11.50%	
Amounts below the thresholds for deduction (before risk weighting)			
72	Non-significant investments in the capital of other financial entities	-	
73	Significant investments in the common stock of financial entities	-	
74	Mortgage servicing rights (net of related tax liability)	-	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	-	
Applicable caps on the inclusion of provisions in Tier 2			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	527.89	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	866.53	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings- based approach (prior to application of cap)	-	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-	
Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	-	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
82	Current cap on AT1 instruments subject to phase out arrangements	-	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	
84	Current cap on T2 instruments subject to phase out arrangements	-	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	

Notes to Template

Row No. of the template	Particulars	(₹ in Million)
10	Deferred tax assets associated with accumulated losses	-
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred Tax Liability	445.85
	Total as indicated in row 10	445.85
19	If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank	-
	of which: Increase in Common Equity Tier 1 capital	-
	of which: Increase in Additional Tier 1 capital	-
	of which: Increase in Tier 2 capital	-
26b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then:	-
	(i) Increase in Common Equity Tier 1 capital	-
	(ii) Increase in risk weighted assets	-
44a	Excess Additional Tier 1 capital not reckoned for capital adequacy (difference between Additional Tier 1 capital as reported in row 44 and admissible Additional Tier 1 capital as reported in 44a)	-
	of which: Excess Additional Tier 1 capital which is considered as Tier 2 Capital under row 58b	-
50	Eligible Provisions included in Tier 2 capital	527.89
	Eligible Revaluation Reserves included in Tier 2 capital	-
	Total of row 50	527.89
58a	Excess Tier 2 capital not reckoned for capital adequacy (difference between Tier 2 capital as reported in row 58 and T2 as reported in 58a)	-

Table DF-12 : COMPOSITION OF CAPITAL - RECONCILIATION REQUIREMENT
Balance Sheet as in financial statements

Step 1		As on reporting date, 31st March 2026 (₹ in Million)
i		
Paid-up Capital		3946.99
Reserves & Surplus		10792.25
Minority Interest		-
Total Capital		14739.24
ii		
Deposits		186428.79
of which: Deposits from banks		206.36
of which: Customer deposits		186222.43
of which: Other deposits (pl. specify)		-
iii		
Borrowings		7366.26
of which: From RBI		2000.00
of which: From banks		-
of which: From other institutions & agencies		3866.26
of which: Others - book credit balances in foreign currency minor accounts		-
Of which: Tier 2 Capital instruments		1500.00
iv		
Other liabilities & provisions		3842.27
Total		212376.55
B Assets		
i		
Cash and balances with Reserve Bank of India		9479.62
Balance with banks and money at call and short		1238.41
ii		
Investments:		42574.42
of which: Government securities		40867.70
of which: Other approved securities		-
of which: Shares		112.16
of which: Debentures & Bonds		1594.55
of which: Subsidiaries / Joint Ventures / Associates		-
of which: Others (Certificate of Deposit- 0 Mio)		-
iii		
Loans and advances		149180.63
of which: Loans and advances to banks		-
of which: Loans and advances to customers		149180.63
iv		
Fixed assets		2900.36
v		
Other assets		7003.11
of which: Goodwill and intangible assets		-
of which: Deferred tax assets		445.85
vi		
Good will on consolidation		-
vii		
Debit balance in Profit & Loss account		-
Total Assets		212376.55

Step 2		Balance sheet under regulatory scope of consolidation	Ref No.
		As on reporting date, 31 st March 2026 (₹in million)	
A	Capital & Liabilities		
i	Paid-up Capital	3946.99	(a)
	of which: Amount eligible for CET1	3946.99	(a) (i)
	of which: Amount eligible for AT1	-	
	Reserves & Surplus	10792.25	(b)
	of which: Amount eligible for CET1	9965.91	(b) (i)
	Statutory Reserve	1871.86	(b)(ii)
	Share Premium	11560.54	(b) (iii)
	General Reserve	1390.85	(b)(iv)
	Capital Reserve (excluding Revaluation Reserves)	785.03	(b)(v)
	Special Reserve under Section 36(i) (viii)	59.86	(b)(vi)
	Balance in P/L a/c at the end of the previous FY	(6406.40)	(b)(vii)
	Current Financial Year Profit (Not eligible)		(b)(viii)
	Revaluation Reserve (part of Tier 2 capital at a discount of 55 percentage)	704.18	(b)(ix)
	Minority Interest	-	
	Total Capital	14739.24	(a)+(b)
ii	Deposits	186428.79	(c)
	of which: Deposits from banks	206.36	(c)(i)
	of which: Customer deposits	186222.43	(c)(ii)
	of which: Other deposits (pl. specify)	-	
iii	Borrowings	7366.26	(d)
	of which: From RBI	2000.00	(d)(i)
	of which: From banks	-	(d)(ii)
	of which: From other institutions &	3866.26	(d)(iii)
	of which: Others (Book Credit balances in foreign currency accounts)	-	(d)(iv)
	of which: Capital instruments -Tier 2	1500.00	(d)(v)
iv	Other liabilities & provisions	3842.27	(e)
	of which: Standard Asset provision included under Tier 2 Capital	527.89	(e)(i)
	of which: DTLs related to goodwill	-	
	of which: Details related to intangible	-	
	Total Liabilities	212376.55	(a)+(b)+(c) +(d)+(e)
B	Assets		
i	Cash and balances with Reserve Bank of India	9479.62	(f)
	Balance in India with banks and money at call	1238.41	(g)
ii	Investments:	42574.42	(h)
	of which: Government securities	40867.70	(h)(i)
	of which: Other approved securities	-	-
	of which: Shares	112.16	(h)(ii)
	of which: Debentures & Bonds	1594.55	(h)(iii)
	of which: Subsidiaries / Joint Ventures /	-	-
	of which: Others	-	(h)(iv)
iii	Loans and advances	149180.63	(i)
	of which: Loans and advances to banks	-	(i)(i)
	of which: Loans and advances to Customers	149180.63	(i)(ii)
iv	Fixed assets	2900.36	(j)

Step 2		Balance sheet under regulatory scope of consolidation	Ref No.
v	Other assets	7003.11	(k)
	of which: Goodwill and intangible assets	-	-
	Out of which :		
	Goodwill	-	-
	Other Intangibles (excluding MSRs)	-	-
	Deferred tax assets	445.85	(k)(i)
vi	Good will on consolidation	-	
vii	Debit balance in Profit & Loss account		
Total Assets		212376.55	(f)+(g)+(h)+i)+(j)+(k)

✓ **Step 3: Table DF-12 (Part II) extract of Basel III common disclosure template (with added column)-**

Common Equity Tier 1 Capital: Instruments and reserves			
	Component of regulatory capital reported by bank	Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation from Step 2	
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	15507.53	(a)+ (b) (iii)
2	Retained earnings	3262.70	b(ii)+b(iv)
3	Accumulated other comprehensive income (and other reserves)	785.03	b(v)
4	Directly issued capital subject to phase out from CET-1 (only applicable to non- joint stock companies)	-	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CER 1)	-	-
6	Common Equity Tier 1 capital before regulatory adjustments	19555.26	(a)+ (b)(ii)+ (b)(iii)+ (b)(iv) + (b)(v)+b(vi)+b(viii)+b(ix)
7	Prudential valuation adjustments	-	-
8	Goodwill (net of related tax liability)		-

Table DF -13: MAIN FEATURES OF REGULATORY CAPITAL INSTRUMENTS– ELIGIBLE INSTRUMENTS

Nil

Table DF-14 FULL TERMS AND CONDITIONS OF REGULATORY CAPITAL INSTRUMENTS (ELIGIBLE INSTRUMENTS)

Not Applicable

Table DF 15: DISCLOSURE REQUIREMENTS FOR REMUNERATION

Qualitative disclosures

a. Information relating to the composition and mandate of the Nomination & Remuneration Committee.

➤ **Composition**

The Board constituted a Remuneration Committee on 29.02.2008, which was reconstituted on 27.09.2008, 06.10.2009 and 28.02.2013. The Committee was renamed/ reconstituted as Nomination & Remuneration Committee of the Board at its meeting held on 26.10.2015.

The committee comprises of Dr. Nirmala Padmanabhan as Chairperson, Sri K.N Madhusoodanan, Sri G Rajagopalan Nair, Ms Vardhini Kalyanaraman, Dr. Jineesh Nath C K and Sri Ashutosh Khajuria as on 31.03.2026.

➤ **The terms of reference of the Nomination & Remuneration Committee are as follows:**

1. Recommending to the Board for its consideration and approval on the size and composition of the Board taking into account the available and needed diversity and balance in terms of experience, knowledge, skills and judgment of the Directors;
2. Reviewing, from time to time, possible candidates for current and potential Board vacancies, including Directors who are to retire and are eligible for re- appointment or re- election and other persons who may be recommended by the Chairman or the MD&CEO or other Directors, shareholders or others;
3. Recommending to the Board, candidates for election (including re- election) or appointment (including reappointment) to the Board;
4. Carrying out evaluation of every Director's performance;
5. Deciding on the matter of whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
6. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal; formulation of the criteria for determining qualifications, positive attributes and independence of a Director;
7. Devising a policy on diversity of Board of Directors;
8. Recommending to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees;
9. Formulating and determining the Bank's policies on remuneration packages payable to the Directors and Key Managerial Personnel including Performance/ Achievement Bonus, Perquisites, Retirals, Sitting fees.
10. Considering grant of Stock Options to employees.
11. Reviewing the composition of the existing Committees of the Board.
12. Formulation of criteria for performance evaluation of Independent Directors and the Board;
13. Validation of 'fit and proper' status of all Directors on the Board of the Bank in terms of the guidelines issued by the RBI or other regulatory authorities;
14. Developing and recommending to the Board the Corporate Governance guidelines applicable to the Bank for incorporating best practices from time to time.

b. Information relating to the design and structure of remuneration processes and the key features and objectives of Remuneration Policy.

Remuneration and other perquisites paid to the Managing Director & CEO and Executive Director are as approved by the Reserve Bank of India. Non-executive Directors are being paid sitting fees for each meeting attended by them. During the year, no remuneration, excepting sitting fees and reimbursement of actual travel and out-of-pocket expenses was paid.

The Bank has formed the Compensation Policy based on the Reserve Bank of India guidelines vide its circular DOR.Appt. BC.No.23/29.67.001/2019-20 dated 04/11/2019. The fixed remuneration and other allowances including retirement benefits of all subordinate, clerical and officers covering under IBA stream of employment is governed by the industry level wage settlement under Indian Banks Association (IBA) pattern. In respect of officers covered under Cost to the Company payment scheme, the overall salary will be pegged at 120% of IBA salary of corresponding grade. Officers appointed on contract basis are offered a fixed consolidated pay as determined by Board/ Committee/ MD & CEO on a case-to-case basis.

c. Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks.

The Board of Directors through the Nomination and Remuneration Committee of the Board shall exercise oversight and effective governance over the framing and implementation of the Compensation policy. Human Resource Management under the guidance of MD & CEO shall administer the Compensation and Benefit structure in line with the best suited practices and statutory requirements as applicable.

d. Description of the ways in which the Bank seeks to link performance during a performance measurement period with levels of remuneration.

The factors taken into account for the annual performance review are:

- The performance of the Bank
- The performance of the business unit
- Individual performance of the employee,
- Other risk perceptions and economic considerations

e. A discussion of the Bank's policy on deferral and vesting of variable remuneration and a discussion of the Bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.

- As of now Bank is not offering variable pay except for MD & CEO and Executive Director and hence no such deferral of variable pay is being offered to rest of the staff members.
- Employee Stock Option Scheme/ Employee Stock Option Plan as may be framed by the Board from time to time in conformity with relevant statutory provisions and SEBI guidelines as applicable will be excluded from the components of variable pay.

f. Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the Bank utilises and the rationale for using these different forms.

Variable pay means the compensation as fixed by the Board on recommendation of the Committee and approved by the Reserve Bank of India, wherever required, which is based on the performance appraisal of an employee in that role, that is, how well they accomplish their goals. It may be paid as:

- Performance Linked Incentives to those employees who are eligible for incentives
- Ex-gratia for other employees who are not eligible for Performance linked Incentives.
- Bonus for those staff members who are eligible for bonus under the Payment of Bonus Act, 1965.
- Employment Stock Option Plan (ESOP) for the eligible employees as approved by the Board.

As of now, Bank is not having a variable pay structure except for MD & CEO and Executive Director.

Quantitative disclosures

Number of meetings held by the Nomination & Remuneration Committee during the quarter ended on March 31, 2026	3
Remuneration paid to the members of Nomination & Remuneration Committee (Sitting fees) during the Quarter ended March 31, 2026	₹5,40,000/-
Number of employees having received a variable remuneration award during the financial year.	NIL
Number of sign-on awards made during the financial year.	NIL
Total amount of sign-on awards made during the financial year.	NIL
Details of guaranteed bonus, if any, paid as joining / sign on bonus.	NIL
Details of severance pay, in addition to accrued benefits, if any.	NIL
Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	NIL
Total amount of deferred remuneration paid out in the financial year.	NIL
Breakdown of amount of remuneration awards for the quarter ended March 31, 2026	
Fixed	NIL
Variable	NIL

Table DF-16: Equities – DISCLOSURE FOR BANKING BOOK POSITIONS:

The Bank does not have Equities in Banking Book and hence not applicable.

Table DF17- DISCLOSURE OF COMPARISON OF ACCOUNTING ASSETS VS. LEVERAGE RATIO

Leverage Ratio

Leverage ratio is a non-risk-based measure of all exposures for the Tier-I capital. The Leverage ratio is calibrated to act as a credible supplementary measure to the risk-based capital requirements. The Basel III Leverage ratio is defined as the Capital measure (the numerator) divided by the Exposure measure (the denominator), with this ratio expressed as a percentage. Effective from the quarter commencing October 1, 2019, the minimum leverage ratio shall be 3.50%.

$$\text{Leverage Ratio} = \frac{\text{Capital Measure (Tier I Capital)}}{\text{Exposure Measure}}$$

Table DF 17- Summary comparison of accounting assets vs. Leverage Ratio

Item	(₹ in Million)
1 Total consolidated assets as per published financial statements	212376.55
Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated	74094.02
2 for accounting purposes but outside the scope of regulatory consolidation	
Adjustment for fiduciary assets recognized on the Balance Sheet pursuant to the operative accounting	-
3 framework but excluded from the leverage ratio exposure measure	
4 Adjustments for derivative financial instruments	24.28
5 Adjustment for securities financing transactions (i.e. repos and similar secured lending)	0.00
Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance	4445.60
6 sheet exposures)	
7 Other adjustments	(74055.28)
8 Leverage ratio exposure	216885.17

Table DF -18: Leverage Ratio common disclosure template

Item	Leverage ratio framework (₹ in Million)
On-Balance Sheet exposures	
1 On-balance sheet items (excluding derivatives and SFTs, but including collateral)	212415.29
2 (Asset amounts deducted in determining Basel III Tier 1 capital)	0.00
3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	212415.29
Derivative exposures	
4 Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	2.40
5 Add-on amounts for PFE associated with all derivatives transactions	21.89
6 Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	0
7 (Deductions of receivables assets for cash variation margin provided in derivatives transactions)	0
8 (Exempted CCP leg of client-cleared trade exposures)	0
9 Adjusted effective notional amount of written credit derivatives	0
10 (Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0
11 Total derivative exposures (sum of lines 4 to 10)	24.28
Securities financing transaction exposures	
12 Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	0
13 (Netted amounts of cash payables and cash receivables of gross SFT assets)	0
14 CCR exposure for SFT assets	
15 Agent transaction exposures	0
16 Total securities financing transaction exposures (sum of lines 12 to 15)	0
Other off-balance sheet exposures	
17 Off-balance sheet exposure at gross notional amount	4445.60
18 (Adjustments for conversion to credit equivalent amounts)	0
19 Off-balance sheet items (sum of lines 17 and 18)	4445.60
Capital and Total exposures	
20 Tier 1 capital	13397.67
21 Total exposures (sum of lines 3, 11, 16 and 19)	216885.17
Leverage ratio	
22 Basel III leverage ratio	6.18%

Liquidity Coverage Ratio Disclosure as on March 31, 2026

In the backdrop of the global financial crisis that started in 2007, the Basel Committee on Banking Supervision (BCBS) proposed certain reforms to strengthen global capital and liquidity regulations with the objective of promoting a more resilient banking sector. In this regard, the Basel III rules text on liquidity – “Basel III: International framework for liquidity risk measurement, standards and monitoring” was issued in December 2010 which presented the details of global regulatory standards on liquidity. Two minimum standards viz. Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) for funding liquidity were prescribed by the Basel Committee for achieving two separate but complementary objectives.

The LCR promotes short-term resilience of banks to potential liquidity disruptions by ensuring that they have sufficient high quality liquid assets (HQLAs) to survive an acute stress scenario lasting for 30 days.

1. Quantitative Disclosure

LCR Compliance as on March 31, 2026

LCR Calculation Methodology		RBI prescribed minimum LCR	Bank's Daily Average LCR during the Quarter ended March 31, 2026
LCR	= Stock of High-Quality Liquid Assets Total net cash outflows over the next 30 calendar days	100%	119.88%

Below mentioned is a position of Liquidity Coverage Ratio computed based on daily simple average for the Quarter ended December 31, 2025

Particulars Total Unweighted Value (average)		Daily Average during the Quarter ended 31.03.2026 (₹ in Cr)	
		Total Weighted Value (average)	
High Quality Liquid Assets			
1	Total High Quality Liquid Assets (HQLA)		3787.42
Cash Outflows			
2	Retail deposits and deposits from small business customers, of which:	12535.95	1105.32
(i)	Stable deposits	2965.48	148.27
(ii)	Less stable deposits	9570.46	957.05
3	Unsecured wholesale funding, of which:	2525.69	1953.42
(i)	Operational deposits (all counterparties)	-	-
(ii)	Non-operational deposits (all counterparties)	2525.69	1953.42
(iii)	Unsecured debt		
4	Secured wholesale funding		-
5	Additional requirements, of which	801.25	192.97
(i)	Outflows related to derivative exposures and other collateral requirements	-	-
(ii)	Outflows related to loss of funding on debt products	-	-
(iii)	Credit and liquidity facilities	801.25	192.97
6	Other contractual funding Obligations	174.44	174.44
7	Other contingent funding obligations	274.83	8.24
8	Total Cash Outflows		3434.39
Cash Inflows			
9	Secured lending (e.g., reverse repos)	31.00	31.00
10	Inflows from fully Performing exposures	488.34	244.17
11	Other cash inflows	0.00	0.00
12	Total Cash Inflows	519.33	275.16
		Total Adjusted Value	
21	TOTAL HQLA		3787.42
22	Total Net Cash Outflows		3159.23
23	Liquidity Coverage Ratio (%)		119.88%

Bank has complied with the regulatory requirements w.r.to LCR

2. Qualitative Disclosure

The main drivers of HQLA:

Bank is maintaining adequate stock of High-Quality Liquid Asset to survive an acute stress scenario lasting for 30 days. HQLA of the Bank includes Cash in Hand (3% of HQLA), Government securities in excess of minimum SLR requirement (12% of HQLA), Government Securities within the mandatory SLR requirement to the extent allowed by RBI under MSF (9% of HQLA),

Level 2A and Level 2B assets are well within the regulatory cap of 40% and 15% of the stock of HQLA respectively after the required haircut.

Net Stable Funding Ratio Disclosure as on March 31, 2026

The Net Stable Funding Ratio (NSFR) is one of the Basel Committee's key reforms to promote a more resilient banking sector. The NSFR will require banks to maintain a stable funding profile in relation to the composition of their assets and off-balance sheet activities. A sustainable funding structure is intended to reduce the likelihood that disruptions to a bank's regular sources of funding will erode its liquidity position in a way that would increase the risk of its failure and potentially lead to broader systemic stress. The NSFR limits overreliance on short-term wholesale funding, encourages better assessment of funding risk across all on- and off-balance sheet items, and promotes funding stability.

The Bank is required to maintain the NSFR on an ongoing basis on a standalone Bank level and on a Group level. The minimum NSFR requirement set out in the RBI guideline for the standalone Bank and for Group effective October 1, 2021 is 100%. The Bank does not have any subsidiary as on date.

NSFR Calculation Methodology	RBI prescribed minimum NSFR	Bank's NSFR for the Quarter ended March 31, 2026
NSFR = Available amount of Stable funding Required amount of Stable funding	100%	148.10%

The following table sets out the unweighted and weighted value of the NSFR components of the Dhanlaxmi Bank at March 31, 2026 (i.e. quarter-end observation).

Net Stable Funding Ratio March 31, 2026						
(₹ in Cr) No maturity		Unweighted value by residual maturity			Weighted Value	
		< 6 months	6 months to < 1yr	≥ 1yr		
ASF Items						
1	Capital: (2+3)	1432.34	-	-	188.24	1620.58
2	Regulatory Capital	1432.34			150.00	1582.34
3	Other capital instruments				38.24	26.71
4	Retail deposits and deposits from small business customers: (5+6)	4706.81	2937.89	3031.23	2284.13	11815.53
5	Stable deposits	1154.33	826.98	667.34	380.80	2877.97
6	Less stable deposits	3552.48	2110.91	2363.89	1903.34	8937.56
7	Wholesale funding: (8+9)	673.62	2912.57	1788.52	269.86	2376.77
8	Operational deposits					
9	Other wholesale funding	673.62	2912.57	1788.52	269.86	2376.77
10	Other liabilities: (11+12)	1012.43	-	-	-	-
11	NSFR derivative liabilities					
12	All other liabilities and equity not included in the above categories	1012.43			-	-
13	Total ASF (1+4+7+10)	7825.20	5850.47	4819.75	2742.23	15812.88
RSF Items						
14	Total NSFR high-quality liquid assets (HQLA)	642.96	553.64	359.19	3529.68	211.95
15	Deposits held at other financial institutions for operational purposes	123.84	-	-	-	61.92
16	Performing loans and securities: (17+18+19+21+23)		6645.24	2752.46	4003.63	7719.62
17	Performing loans to financial institutions secured by Level 1 HQLA					
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions		442.57	279.01		205.89
19	Performing loans to nonfinancial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:		6202.54	2472.40	2900.89	6778.67
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk				122.76	79.79
21	Performing residential mortgages, of which:		0.13	1.05	1017.25	662.39
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	1017.25	661.21
23	Securities that are not in default and do not qualify as HQLA, including exchange traded equities				85.49	72.67
24	Other assets: (sum of rows 25 to 29)		2.05	0.00	2634.46	2636.12
25	Physical traded commodities, including gold					
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs					
27	NSFR derivative assets					
28	NSFR derivative liabilities before deduction of variation margin posted					
29	All other assets not included in the above categories		2.05	-	2634.36	2636.12
30	Off-balance sheet items				1068.85	47.65
31	Total RSF (14+15+16+24+30)	766.80	7200.93	3111.65	11236.52	10677.26
32	Net Stable Funding Ratio (%)					148.10%

Bank has complied with the regulatory requirements w.r.to NSFR.

Awards & Recognitions



**Forbes World's Best Banks
Award 2026**



Top 100 BFSI Tech Leaders Award

Received by Shri. John Varughese,
General Manager, Head IT.



ICC Awards

Two Prestigious hours for Dhanlaxmi Bank at the 4th ICC Emerging Asia Banking Awards Organised by the Indian Chamber of Commerce with PwC as the process reviewer. Competing alongside leading banks from India, Bangladesh, Bhutan, Nepal, Srilanka, Myanmar and Thailand. This double recognition is a proud international milestone for DLB.

New Branches



Sultan Bathery



Dindigul



Thiruporur

Shifted & Facelifted Branches



Adoor



Edavilangu



Kuruppampady



Madurai



Mulavana



Punnakkunnam



Kumaranellur

Financial Outreach Programme



**For sustainable women empowerment
Dhanlaxmi Bank and the State Kudumbasree
Mission signed a Memorandum of Understanding**



**E-Auto, the programme funded by
Dhanlaxmi Bank in Association with
KSWCFC.**



**Farmers' Fair- Partnering with
Kerala Agriculture University.**



**Complete digital solution for
Viyyoor Manalarukavu Temple in
Coordination
with Arpan Solutions**

Don't Let Your Money Sit Idle!



6.50%*

Highest Interest on a savings account



*T&C APPLY

CAPITAL GAINS ACCOUNT

Secure your **capital gains** today.
Save more on **taxes** tomorrow.



Turn Every Dollar into More.

Highest Rates for

FCNR(B) Deposits

💰 **Currency: USD**

T&C apply.* FCNR (B) deposits opened for a tenure of 3 to 5 years will be subject to a lock-in period of one year.





Helping Dreams Find Their Address
Dhanam Home Loan



HASSLE - FREE
LOAN PROCESS



SIMPLE
DOCUMENTATION



TENURE UP TO
30 YEARS



NO PRE-CLOSURE
CHARGES



HIGHER
LOAN AMOUNT



TAKE OVER OPTION
AVAILABLE

For the Joy That's Truly Yours ...
Dhanam Car Loan



ATTRACTIVE
INTEREST RATES



TENURE UP TO
7 YEARS



QUICK
PROCESSING

Enabling Each other



Celebrating



Years of staying ahead

Corporate Office

Dhanlaxmi Bank Ltd.
Corporate Office, Punkunnam,
Thrissur, Kerala 680 002.

Registered Office

Dhanlaxmi Bank Ltd.
Dhanalakshmi Buildings, Naickanal
Thrissur, Kerala 680 001.