

SH:102 / 2023-24

September 07, 2023

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: 96th Annual General Meeting – Notice and Annual Report for the Financial Year 2022-23

Further to our letter no SH:97/2023-24 dated September 04, 2023 and Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Notice of the 96th Annual General Meeting of the Bank to be held on Saturday, September 30, 2023 at 11.00 A.M (IST) through VC / OAVM, along with the Annual Report for the financial year 2022-23. The Notice and the Annual Report will be hosted on the website of the Bank www.dhanbank.com.

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: Punnamm, Thrissur, Kerala-680002; Ph: 0487-7107100
E-mail: investors@dhanbank.co.in; Website: www.dhanbank.com

NOTICE OF 96th ANNUAL GENERAL MEETING

Notice is hereby given that the 96th Annual General Meeting of the Members of Dhanlaxmi Bank Limited (“the Bank”) will be held on **Saturday, September 30, 2023** 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, 2023 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 Shri. Gopinathan C.K (DIN-01236752) 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 the approval accorded by Reserve Bank of India vide letter no. CO.DOS.RPD.No. S3922/08.09.005/2023-24 dated August 21, 2023, approval be and is hereby accorded to appoint M/s. Krishnamoorthy & Krishnamoorthy, Chartered Accountants, Ernakulam (FRN-001488S) and M/s. Sagar & Associates, Chartered Accountants, Hyderabad (FRN-003510S) as Joint Statutory Central Auditors of the Bank for the period commencing from the conclusion of the 96th Annual General Meeting to the conclusion of the 97th Annual General Meeting of the Bank for a total remuneration of Rs. 50 lakh (Rupees Fifty lakh only) plus taxes as applicable from time to time, excluding the fee for branch audits conducted by them and in addition to reimbursement of actual travelling and out-of-pocket

expenses, 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 with the Joint Statutory Central Auditors."

SPECIAL BUSINESS

4. Authorizing the Board of Directors to appoint and fix the 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 be and is hereby authorized to arrange for the audit of the Bank's branches for the financial year 2023-24 and to appoint and fix the remuneration of branch auditors in consultation with the Statutory Central Auditors."

5. To approve the Alteration of Articles of Association of the Bank

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

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions of the Companies Act, 2013 read with the rules made thereunder, the relevant provisions of the Banking Regulation Act, 1949, Banking Laws (Amendment) Act, 2012, the rules, circulars and guidelines issued by the Reserve Bank of India (the "RBI") from time to time (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in compliance to Regulation 23(6) of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and subject to the approval of the Reserve Bank of India, Registrar of Companies ("ROC") or any other statutory authorities, if required, and subject further to such other terms, conditions, stipulations, alterations, amendments or modifications as may be specified by such statutory authorities, approval of the Members of the Bank be and is hereby accorded for the alteration of the Articles of Association of the Bank in the manner as detailed in the Statement of material facts under Section 102(1) of the Companies Act, 2013, annexed to and forming part of the Notice of the 96th Annual General Meeting of the Bank."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be required in connection with the aforesaid resolutions,

including but not limited to making necessary filings / correspondences with the Ministry of Corporate Affairs, the Reserve Bank of India, the Stock Exchange(s) and other Statutory / Regulatory Authorities as may be required or considered necessary or incidental thereto for giving effect to this resolution and to delegate all or any of the powers herein conferred to any Director(s) or Officer(s) of the Bank.”

6. To Increase the Authorised Share Capital and consequent alteration to the Memorandum of Association & Articles of Association 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 Section 61 and other applicable provisions, if any, of the Companies Act, 2013 and the Banking Regulation Act, 1949, the Authorized Capital of the Bank be and is hereby increased from 400,00,00,000 (Rupees Four Hundred Crore only) to 500,00,00,000 (Rupees Five Hundred Crore only) by creation of additional 10,00,00,000 (Ten Crore only) shares of 10/- each, ranking for dividend and in all other respects pari passu with the existing equity shares of the Bank when issued, and accordingly the existing Clause V of the Memorandum of Association of the Bank be and is hereby amended by substituting the words and figures “Rs.500,00,00,000 (Rupees Five Hundred Crore only) divided into 50,00,00,000 equity shares of 10/-(Rupees Ten Only) each” for the words and figures “400,00,00,000 (Rupees Four Hundred Crore only) divided into 40,00,00,000 shares of 10/-(Rupees Ten only) each”, appearing in Clause V thereof, and Article 2 of Articles of Association of the Bank be and is hereby amended by substituting the words and figures “Rs.500,00,00,000 (Rupees Five Hundred Crore only) divided into 50,00,00,000 (Fifty Crore Only) equity shares of 10/- (Rupees Ten Only) each” for the words and figures “Rs.400,00,00,000 (Rupees Four Hundred Crore only) divided into 40,00,00,000 (Forty Crore Only) equity shares of Rs.10/- (Rupees Ten Only) each”, subject to the approval of Reserve Bank of India.”

Place: Thrissur
Date: September 04, 2023

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

NOTES:

1. In view of the continuing applicability of directions issued by the Ministry of Corporate Affairs (“MCA”) vide its circulars dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021, December 08, 2021, December 14, 2021, May 05, 2022 and December 28, 2022 (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 (collectively referred to as “SEBI Circulars”) has permitted the 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 2022-23 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 2022-23 will also be available on the websites of the Bank (www.dhanbank.com), 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 96th Annual General Meeting scheduled to be held on **Saturday, September 30, 2023 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 Wednesday, September 27, 2023 to 05.00 P.M (IST) on Friday, September 29, 2023.** 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 **Monday, September 25, 2023 to Saturday, September 30, 2023 (both days inclusive)**. Transfers received during 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 **Sunday, September 24, 2023** 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. 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 vassociates16@gmail.com with a copy marked to einward.ris.@kfintech.com.

7. 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 of 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 shareholding), 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.

8. 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.

9. 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.

10. 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 Director seeking re-appointment at the 96th AGM is also annexed.

11. 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 September 20, 2023 through email to investors@dhanbank.co.in and the same will be replied by the Bank suitably.

12. In case of the need for any technical assistance or any grievances connected with e-voting, Members may contact Mr. Rajkumar Kale, Assistant Vice President, KFin Technologies Limited, "Selenium Tower B", Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad-500032; Phone:1800 3094 001 (tollfree). The AGM Notice is being sent in electronic mode to all the Shareholders whose name appear in the Register of Members as on **Friday, September 01, 2023**, 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 **September 01, 2023** may also contact Mr. Rajkumar Kale, Assistant Vice President at the above-mentioned address / phone number for the e-mail of the Notice / Annual Report.

13. 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 and the Annual Report of 2022-23.

14. 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>.

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

16. 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.

17. 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.

18. 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.

19. 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.

20. 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.

21. In terms of Section 125 of the Companies Act, 2013, the dividends which are unclaimed for a period of seven years have to be transferred to "Investor Education and Protection Fund" maintained with Central Government and the shareholders/beneficial owners cannot make any claim for the dividends once the unclaimed dividends are transferred to such fund. 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.

22. 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.

23. SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities by September 30, 2023, vide its circular dated March 16, 2023. In case a holder of physical securities fails to furnish these details or link their PAN with Aadhaar before the due date i.e., September 30, 2023, our registrars are obligated to freeze such folios. The security holder(s) whose folio(s) have been frozen shall be eligible to lodge grievances or avail any service request from the RTA only after furnishing the complete documents/details and shall also be eligible for any payment including dividend, interest, or redemption payment in respect of such frozen folios, only through electronic mode with effect from April 01, 2024. If the securities continue to remain frozen as on December 31, 2025, the registrar / the Bank shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and/or the Prevention of Money Laundering Act, 2002. In terms of above circular, it shall be mandatory for all holders of physical securities in listed entity to furnish/update PAN, Nomination, Address, Mobile Number, E-Mail Address, Bank Account details and Specimen Signature by submitting prescribed Forms viz., ISR-1, ISR-2, SH-13, etc., as the case may be. Hence, physical security holders are requested to furnish/update the above details by submitting duly filled prescribed Forms to Bank's Registrars & Share Transfer Agents ("RTA"). In this regard, the Bank has also sent individual letters to all physical shareholders of the Bank, to their registered addresses available with the Bank / RTA, requesting them to furnish PAN, KYC details and Nomination to avoid freezing of their folios. Specimen copy of letter and prescribed forms for updating PAN, KYC details and Nomination are available on the Bank's website at <https://www.dhanbank.com/statutory-reports>. Shareholders who are holding shares in demat form may contact their Depository Participant (DP), where the demat account is maintained, for furnishing / updating their PAN, Nomination, Address, Mobile Number, E-Mail Address, Bank Account details and Specimen Signature.

24. Mr. V. Suresh, Senior Partner, M/s. V. Suresh Associates, Practising Company Secretaries, First Floor, No.28, Ganapathy Colony, IIIrd Street, Teynampet, Chennai – 600018 (FCS 2969/ CP 6032) or in his absence Mr. Udaya Kumar K.R, Partner, M/s. V. Suresh Associates, Practising Company Secretaries, First Floor, No.28, Ganapathy Colony, IIIrd Street, Teynampet, Chennai – 600018 (ACS 42435/ CP 21973) will be the Scrutinizer for conducting the remote e-voting

process and e-voting at the venue (“Instapoll”) in accordance with law. The Scrutinizer’s decision on the validity of voting shall be final.

25. The Scrutinizer shall, on the date of the Meeting, unblock the votes in the presence of at least two witnesses not in the employment of the Bank and make a report of the votes cast in favour or against, if any, and submit the same to the Chairman of the Meeting.

26. The results of voting will be announced by the Chairman of the Meeting at or after the Meeting and the resolutions will be deemed to have been passed on the date of the Meeting, subject to receipt of the requisite number of votes in favour of the resolutions.

27. The results of the voting along with the Scrutinizer’s Report will be submitted to the Stock Exchanges where the Equity Shares of the Bank are listed and will also be hosted on the Bank’s website (www.dhanbank.com) and on the website of KFin (<https://evoting.kfintech.com>) within 2 working days of conclusion of the Meeting.

Place: Thrissur
Date: September 04, 2023

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 September 04, 2023

Item No. 2

Sri. Gopinathan C.K (DIN-01236752) 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 December 30, 2022 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 Sri. Gopinathan C.K proposing his candidature for the office of Director. The Nomination & Remuneration Committee has also conducted “due diligence” in accordance with the provisions of the Banking Regulation Act, 1949 and RBI guidelines and found that Sri. Gopinathan 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 Directors 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

Notice

of Company Secretaries of India is furnished as follows: -

SRI. GOPINATHAN C.K (DIN - 01236752)

Date of Birth and age	29.03.1954 ; 69 years
Qualifications	B.Com
Brief Resume, Experience and Nature of expertise in specific functional areas	Sri. Gopinathan C.K has more than 25 years of experience in the financial sector. He was a Director in the Catholic Syrian Bank Limited for almost 8 years from September 26, 2008 to July 20, 2016. He was also Director of C.K.G Supermarket Limited and Managing Director of C.K.G Securities and Investments Limited. Sri. Gopinathan C.K is a major shareholder in the Bank and also has major investments in various leading companies across the State.
Terms and conditions of appointment / re-appointment along with details of remuneration	Sri. Gopinathan C.K will be entitled to sitting fees for attending Board / Committee Meetings.
Details of Remuneration last drawn	Sri. Gopinathan C.K was paid only sitting fees of Rs.14,85,000/- for attending Board / Committee Meetings during the financial year 2022-23. Sri. Gopinathan C.K was paid only sitting fees of Rs.7,50,000/- for attending Board / Committee Meetings from April 01, 2023 upto 31.07.2023.
Date of first appointment on Board	August 11, 2016
Shareholding in the Bank as on the date of this Notice	1,89,70,000 Equity Shares
Relationship with other Directors, Manager and Key Managerial Personnel of the Bank	Nil
Number of Board Meetings attended during 2021-22	16
Number of Board Meetings attended from April 01, 2023 upto 31.07.2023	6
Chairperson / Member of Committees of Board of Directors of the Bank as on the date of this Notice	<u>Chairperson</u> HRD Committee NPA Monitoring Committee Stakeholders Relationship Committee

	<p><u>Member</u></p> <p>Audit Committee Credit & Business Committee of Board Corporate Social Responsibility Committee Customer Service Committee Nomination & Remuneration Committee Equity Issuance Committee</p>
Directorship in other public companies	Nil
Membership / Chairmanship of Committees of Boards of other listed companies as on the date of this Notice	Nil

Save and except Sri. Gopinathan 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 31.03.2023 was more than ₹15,000 crore.

At present the Statutory Central Auditors of the Bank is M/s. Krishnamoorthy & Krishnamoorthy, Chartered Accountants, Ernakulam (FRN-001488S). They were appointed in the 95th Annual General Meeting of the Bank for the second term and to hold office up to the conclusion of the 96th Annual General Meeting of the Bank. As per the regulatory norms, the Statutory Central Auditors can be appointed for a continuous period of 3 years, subject to firms satisfying the eligibility norms each year. M/s. Krishnamoorthy & Krishnamoorthy, Chartered Accountants is qualified for reappointment and has expressed its willingness to continue. Reserve Bank of India, vide letter no. CO.DOS.RPD.No. S3922/08.09.005/2023-24 dated August 21, 2023, has accorded approval for appointment of M/s. Krishnamoorthy & Krishnamoorthy, Chartered Accountants as the Joint Statutory Central Auditors of the Bank for their third year.

The Bank also proposes to appoint M/s. Sagar & Associates, Chartered Accountants, Hyderabad (FRN – 003510S) as the as the new Joint Statutory Central Auditors of the Bank. As per the regulatory norms, the Statutory Central Auditors can be appointed for a continuous period of 3 years, subject to firms satisfying the eligibility norms each year. M/s. Sagar & Associates, Chartered Accountants is qualified for appointment and has also expressed its willingness to be appointed as Joint Statutory Central Auditors of the Bank. Reserve Bank of India, vide letter no. CO.DOS.RPD.No. S3922/08.09.005/2023-24 dated August 21, 2023, has accorded approval for appointment of M/s. Sagar & Associates, Chartered Accountants as the Joint Statutory Central Auditors of the Bank for their first year.

The Board of Directors recommends the appointment of M/s. Krishnamoorthy & Krishnamoorthy, Chartered Accountants, Ernakulam (FRN-001488S) and M/s. Sagar & Associates, Chartered Accountants, Hyderabad (FRN – 003510S) as Joint Statutory Central Auditors of the Bank to hold office from the conclusion of 96th Annual General Meeting of the Bank upto the conclusion of 97th Annual General Meeting of the Bank.

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

Equal division of Fee of Rs. 50,00,000 (Rupees Fifty Lakh Only) plus applicable taxes for Quarterly Review, Audit, Certifications, LFAR and Tax Audit and reimbursement of actual travelling and out-of- pocket expenses extra (on actual basis) for the FY 2023-24 among the Joint Statutory Central Auditors, except that of Tax Audit and consolidation of Long Form Audit Report to be continued to be assigned to M/s. Krishnamoorthy & Krishnamoorthy, Chartered Accountants, Ernakulam:-

Quarterly Review	Rs.21.00 lakh (i.e., Rs.7 lakh per quarter for 3 quarters)
Audit Fee	Rs.29.00 lakh (i.e., Rs.24 lakh for Audit/ Certification, Rs.2.50 lakh for LFAR and Rs. 2.50 lakh for Tax Audit)

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

M/s. Krishnamoorthy & Krishnamoorthy & Co., Ernakulam is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India with Firm Registration No. 001488S. The firm has 33 years of audit experience. They were the Statutory Central Auditors of State Bank of India and Nedungadi Bank Limited and have conducted statutory branch audits of various banks. 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. Sagar & Associates, Hyderabad is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India with Firm Registration No. 003510S. The firm has 33 years of audit experience. They were the Statutory Central Auditors of various private/ public sector banks including Central Bank of India and Andhra Bank and various Grameen Banks. They have also conducted the statutory branch audits of various banks They were the Statutory Central Auditors of Dhanlaxmi Bank Limited for 3 financial years previously from 2012-13 to 2014-15. Presently, they are the sole Statutory Central Auditors of NMDC Ltd., which is a Maharatna Public Sector Undertaking. 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.

Accordingly, the Directors 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 Statutory Central Auditors for those branches which are not proposed to be audited by the Statutory Central Auditors.

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

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

Item No. 5

The Board of Directors of the Bank at its meeting approved the amendments to be made to the Articles of Association of the Bank in line with the new Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, Banking Regulation Act, 1949 and other regulatory requirements and recommends the same for shareholders' approval.

The material changes that have been proposed to make the Articles of Association of the Bank to be in line with the new regulatory requirements are as follows:

Articles	Existing	Modified	Reason for Amendment
48A	-	a) If at any time the Company issues debentures or bonds or such other instruments, then the Debenture Trustee shall have right to appoint a Director ("Nominee Director"), in terms of Regulation 15(1)(e) of the SEBI (Debenture Trustees) Regulations, 1993, for such period as is therein provided not exceeding the period for which the debentures/bonds or any of them shall remain outstanding and for the removal from office of such Nominee Director and on a vacancy	Insertion of enabling clause pursuant to recent amendment in Regulation 23(6) of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021. This amendment is mandatory as per the SEBI Regulations amended on February 02, 2023.

		<p>being caused whether by resignation, death, removal or otherwise for appointment of a Nominee Director in the vacant place.</p> <p>b) The Nominee Director shall neither be required to hold any qualification share nor be liable to retire by rotation and shall continue in office for so long as the debt subsists.</p> <p>c) The Nominee Director shall also be appointed as a member of any committee of the Board and shall not be liable for any act or omission of the Company.</p> <p>d) The Nominee Director shall be entitled to all the rights and privileges of other non-executive directors and the sitting fees, expenses as payable to other directors on the Board and any other fees, commission, monies or remuneration in any form payable to the non-executive directors, which shall be to the account of the Company.</p>	
1(i)(b)	‘the seal’ means the common seal of the Bank.	To be deleted	The common seal has been made optional under the Companies Act, 2013; therefore, it is proposed to remove the provisions in the Articles relating to the Common Seal.
5(ii)	Every Certificate shall be under the seal and shall specify the shares to which it relates, and the	Every certificate shall specify the number of shares in respect of which it is issued and amount paid-up thereon and shall be issued and/ or signed	The common seal has been made optional under the Companies Act, 2013; therefore, it is proposed to avoid use of common seal

	amount paid up thereon.	by a Director and the Company Secretary.	and authorize one director and Company Secretary for the same.
28A	-	Subject to the provisions of the Act and the guidelines of SEBI, the Bank may, from time to time, issue shares, securities and hybrids of various kinds including employee stock options, shares with differential rights, preference shares, in accordance with various provisions of the Act including Sections 42, 43, 55, 62, 63, 71 and other applicable provisions of the Companies Act, 2013, and Rules made there under, either by issue of an information memorandum or shelf prospectus or otherwise as may be thought fit by the Board of Directors of the Bank from time to time.	Provisions relating to stock options.
49	The qualification of a director, other than the whole-time Chairman and Chief Executive Officer shall be the holding of shares in his own right of the nominal value of Rs. 2000/-.	To be deleted	This is not mandatory as per Companies Act, 2013.
72	i) The Board shall provide for the safe custody of the seal. ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the	To be deleted	The common seal has been made optional under the Companies Act, 2013; therefore, it is proposed to avoid use of common seal and authorize a director and Company Secretary for the same. Therefore, it is proposed to delete this clause.

	<p>Board authorized by it in that behalf, and except in the presence of atleast two directors and of the Whole-time Chairman or Managing Director or Chief Executive Officer or such other person as the Board may appoint for the purpose; and those two directors and the Chief Executive Officer or other person as aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.</p>		
<p>76</p>	<p>i) Any dividend, interest or other money payable in cash in respect of shares, may be paid by cheque or warrant sent through post directed to the registered address of the holder or in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. ii) Every cheque or warrant shall be made payable to the</p>	<p>Unless otherwise directed, any dividend may be paid in any electronic mode or by cheque or warrant sent through the post to the registered address of the member or person entitled or in case of joint holders, to the registered address of that one whose name stands first on the register in respect of the joint holding, and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.</p>	<p>To capture new mode of payment of dividends.</p>

Notice

	order of the person to whom it is sent.		
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Accordingly, the Directors recommend Resolution No. 5 of the Notice for approval.

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

Item No. 6

The Bank is proposing to increase the Authorised Capital from Rs.400,00,00,000 to Rs.500,00,00,000 to meet the requirement of additional capital to prepare for Basel-II & Basel III compliance, subject to the approval of Reserve Bank of India.

The Bank may require additional capital in the future to maintain the capital adequacy ratio as prescribed by Reserve Bank of India. Keeping in view the same, it is now proposed to increase the Authorised Capital of the Bank from the present level of Rs. 400,00,00,000 to Rs.500,00,00,000, subject to the approval of the Reserve Bank of India. The proposal also involves alteration of Clause V (Capital Clause) of the Memorandum of Association and Article 2 of the Articles of Association of the Bank.

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

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

Place: Thrissur
Date: September 04, 2023

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

The past is inspiring.
The future is promising

**ANNUAL
REPORT
2022-2023**

Over 545 customer touch points including
255 branches, 274 ATMs and 16 BCs



Branch Presence

Metro Branches - 58

Urban Branches - 66

Semi-Urban Branches - 111

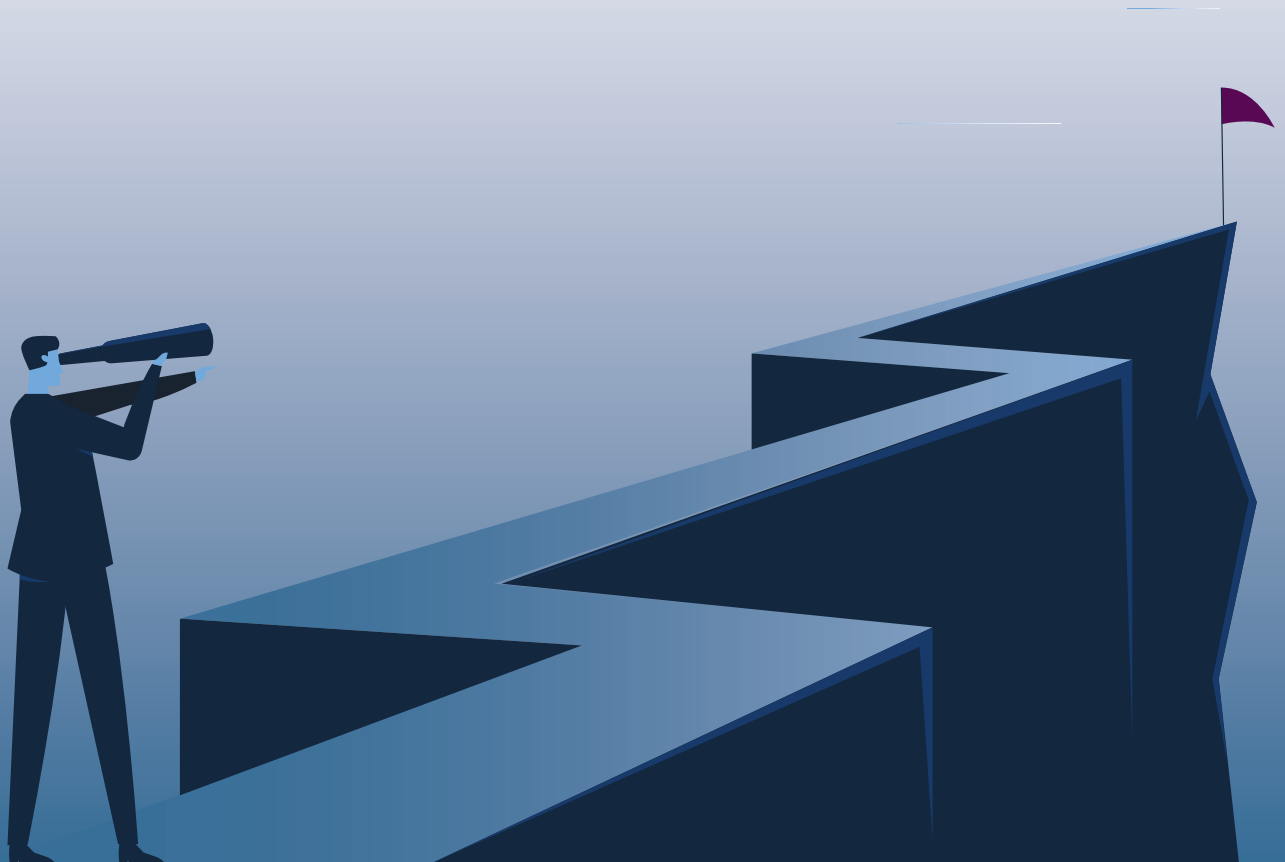
Rural Branches -20

ATM/CDM Presence

Onsite - 232 Offsite - 42

DhanlaxmiBank 
established 1927

Banking on Relationships forever



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



Shivan J K
Managing Director & CEO



Gopinathan C K
Director



G Rajagopalan Nair
Independent Director



D K Kashyap
RBI Additional Director



Jayakumar Yarasi
RBI Additional Director



Sreesankar Radhakrishnan
Independent Director



K N Madhusoodanan
Independent Director



Dr. Nirmala Padmanabhan
Independent Director



Sridhar Kalyanasundaram
Independent Director



Ms. Vardhini Kalyanaraman
Independent Director

C O R P O R A T E I N F O R M A T I O N

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

Chief Financial Officer

Kavitha T A

Company Secretary & Secretary to the Board **Venkatesh H**

Secretarial Auditors

M/s. V Suresh Associates,
Practising Company Secretaries, First Floor,
No.28, Ganapathy Colony
Illrd Street, Teynampet, Chennai-600018

Statutory Auditors

Krishnamoorthy & Krishnamoorthy,
Chartered Accountants,
Paliyam Road, Cochin.

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 (Formerly 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

SENIOR MANAGEMENT

GENERAL MANAGER

Chandran L

DEPUTY GENERAL MANAGERS

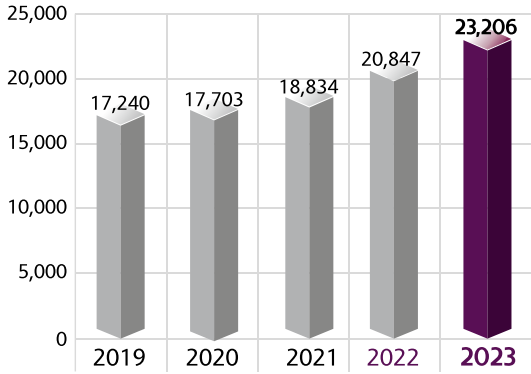
John Varughese	Surendran A V
Santoy John	Binoy B S
Satheesan V	Suresh M Nair
Sreekumar M P	Balasubramanian A D
Sunny George	Arvind Kanagasabai
Rajan Sleeba	

ASSISTANT GENERAL MANAGERS

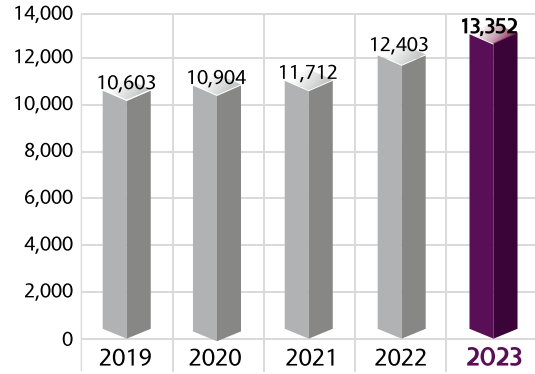
Rajesh P	Sunil Kumar A
Ramakrishnan S	Satyanarayana K
Kavitha T A	Abhilash R
Bijukumar P H	Sijo Joseph
Anup Nair	Abhiram Unni M
Arun Somanathan Nair	Raghunath R
Ranjith P	

PERFORMANCE DASHBOARD

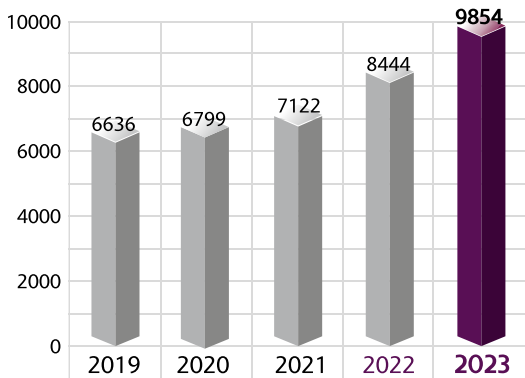
TOTAL BUSINESS (Value in Cr.)



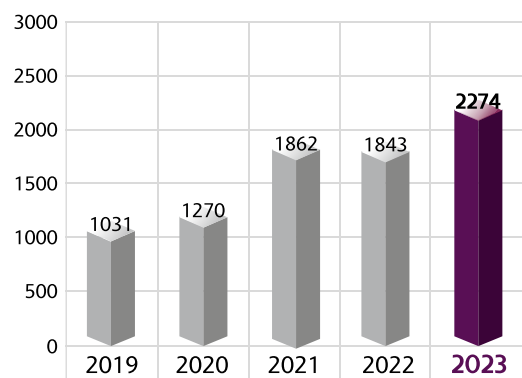
TOTAL DEPOSIT (Value in Cr.)



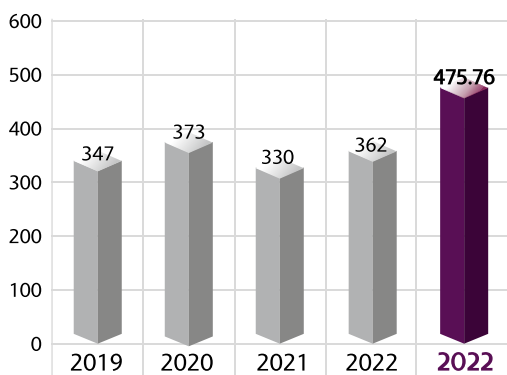
GROSS ADVANCE (Value in Cr.)



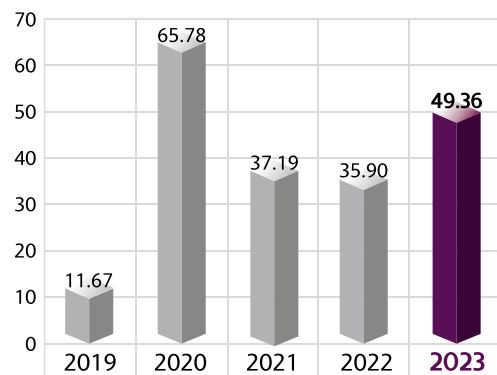
GOLD (Value in Cr.)



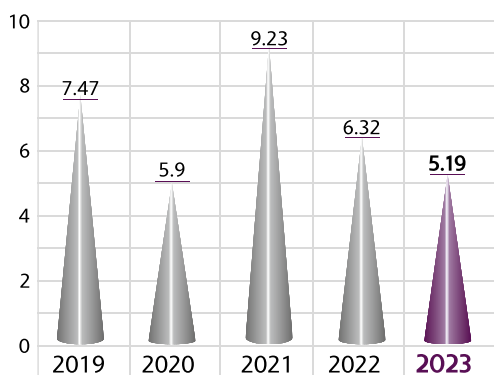
NET INTEREST INCOME (Value in Cr.)



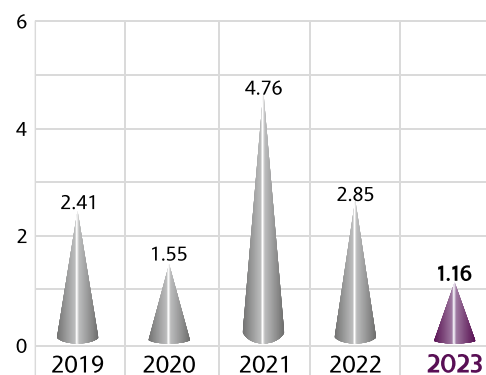
NET PROFIT (Value in Cr.)



GROSS NPA%



NET NPA%



MD & CEO'S MESSAGE

Dear Shareholders,

The previous fiscal year was a year of optimism and a period when the resilience of our country's economy was tested. The Indian economy has exhibited positive indicators, with the International Monetary Fund (IMF) predicting a growth rate of 6% for the current fiscal year 2023-2024. The banking sector also experienced robust growth, thanks to the prudent credit policies of the Reserve Bank of India, improved net interest income, an overall decline in NPA accretion and moderate credit costs.

Dhanlaxmi Bank has consistently delivered strong performance and the previous fiscal year was no exception. We have a long history of establishing strong relationships with our customers and this, along with the dedicated and wholehearted involvement of our employees, has resulted in this robust growth.

We have also continued to invest in technology which has helped us improve our operational efficiency and security, ensuring a better banking experience for our customers.

In a bid to augment our footprint across India, we have started opening new branches after a gap of over a decade. The new branches will enable us to tap the increasing demand in the semi-urban and rural hinterlands, in sync with the government's clarion call for financial inclusion. We are also gearing up to bolster our digital banking offerings by launching cutting-edge products.

In the previous fiscal year we recorded an annual operating profit of Rs.123.20 crore and a net profit of Rs. 49.36 crore. We also saw strong growth in deposits and advances, with our total business increasing from Rs. 20,846 crore to Rs.23,205 crore. Gross advances reached Rs. 9,854 crore and Net Interest Income increased to Rs. 475.76 crore and the credit deposit ratio considerably improved. The resultant increase in Net Interest Income has helped the Bank in tiding over the reverses due to 'Mark-to-Market' loss on the investment portfolio.

Our revised strategy has helped us accelerate growth across all business verticals. We will continue to focus on our retail loan book in the upcoming fiscal year and non-performing asset (NPA) recovery will also remain a key focus area. As always, we will continue to build and nurture strong relationships with our customers.

I would like to express my gratitude to the regulatory authorities and agencies for their support and to our external stakeholders for their trust reposed in the management team. I am also grateful to the Board of Directors for their continued guidance.

We will strive to improve our performance quarter over quarter.

Yours Sincerely

Shivan J K



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Directors' Report

Dear Shareholders,

It gives the Board pleasure to place before you the highlights of your Bank's performance during the financial year 2022-23. Details of the achievements and initiatives taken by the Bank are provided in the 96th Annual Report of the Bank along with the Audited Balance Sheet as at March 31, 2023 and the Profit and Loss Account for the year ended on that date.

Performance Highlights

Bank's performance Highlights for the financial year ended March 31, 2023 are as follows:

₹ in Crore

	March 31, 2023	March 31, 2022
Total Business	23,205.38	20,846.47
Deposits	13,351.65	12,402.89
Advance (Gross)	9,853.73	8,443.58
Total Income	1145.75	1,085.76
Total Expenditure	1,022.55	951.46
Net Interest Income	475.76	362.31
Operating Profit	123.20	134.30
Net Profit	49.36	35.90
Gross NPA %	5.19	6.32
Net NPA %	1.16	2.85
Provision Coverage Ratio %	90.61	80.64
CRAR %	12.32	12.98
Return on Assets %	0.34	0.27
Return on Equity %	5.14	3.99
Earnings Per Share (in ₹)	1.95	1.42
Book Value Per Share (in ₹)	37.99	35.57

Bank's Geographical Spread & Expansion Programme

- Bank has 253 branches as on 31st March, 2023 spread across 14 States and 1 Union Territory (Chandigarh).
- Out of 253 branches, 19 branches are in rural category, 110 in Semi Urban, 66 in Urban and 58 in Metropolitan Category.
- Bank had 270 ATMs and 17 Business Correspondents as on March 31, 2023.
- Bank opened 8 new branches during the financial year – Manathavady, Cherpulassery, Koyilandy and Mattannur in Kerala State, Thanjavur and Tirunelveli in Tamil Nadu State, Karimnagar in Telangana State and Kurnool in Andhra Pradesh State.
- Bank has obtained in-principle approval from Reserve Bank of India for opening of 12 more branches.

Total Business

Total business of the Bank improved by 11.32% to reach ₹23,205.38 Crore as on 31.03.2023, from ₹20,846.47 Crore as on 31.03.2022.

Deposits

Deposits recorded a growth of 7.65 % to reach ₹13,351.65 Crore as on 31st March 2023 against ₹12,402.89 Crore as on 31st March 2022. CASA to Total deposits as on 31st March 2023 was 31.90%.

Gross Advances

Bank's Gross advance stood at ₹9853.73 Crore as on 31.3.2023 against ₹8443.58 Crore as on 31.03.2022, registering a growth of 16.70%. CD Ratio improved from 68.08% to 73.80% on Y-o-Y basis.

Profitability

Annual Net Interest Income increased from ₹362.31 Crore as on 31st March 2022 to ₹475.76 Crore, as on 31st March 2023 registering a growth of 31.31%. Non-Interest income as on 31st March 2023 was at ₹74.51 Crore against ₹169.12 Crore as on 31st March 2022. The reduction was due to Mark to Market (MTM) depreciation on revaluation of investments of ₹40.08 crore as on March 31, 2023 against write back of MTM of ₹67.35 crore as on March 31, 2022. NIM improved from 3.00% to 3.60% on Y-o-Y basis. Total Income (Interest Income + Other Income) increased by ₹59.99 Crore with growth of 5.53% on Y-o-Y basis. Cost to Income Ratio as on March 31, 2023 was 77.61% against 74.73% as on March 31, 2022.

Operating profit during the year was ₹123.20 Crore as against ₹134.30 Crore during the previous year. The Bank declared a net Profit of ₹49.36 Crore during the year under report and for the previous year, the Bank had declared a net profit of ₹35.90 Crore.

Capital and Reserves

Bank's Paid-up capital and reserves was ₹961.15 Crore as on 31.03.2023. The capital adequacy ratio as per Basel III was 12.32% with Core CRAR of 10.55%.

Dividend

The Board had not recommended any dividend for the financial year 2022 - 2023.

Non-Performing Assets

Gross NPA and Net NPA percentage stood at 5.19% and 1.16% respectively as on 31.03.2023 against 6.32% and 2.85% as on 31.03.2022.

The provision coverage ratio (PCR) as on 31.03.2023 was 90.61% which was 80.64% 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 24 x 7 Phone Banking Call Centre at Chennai to cater to customer needs across the country.

During the financial year 2022-23, the Bank received 6,101 complaints as against a total of 14,005 complaints received in the previous financial year.

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

- Bank entered into Fintech based business for micro lending, under priority sector lending.
- Revamped internet banking platform 'Dhan Delight' and mobile banking platform 'Dhan Smart' launched with enhanced security via multi-factor authentication, biometric login and Self-registration functionalities.
- In-app authentication (Smart ID) mechanism to authenticate transactions without relying on SMS based OTP for digital transactions.
- E-Mandate using AADHAAR authentication of recurring payment mandates to customers.
- Public Funds Management System and Wage Protection System platform integrated with new application for Realtime processing of govt. and wage protection system transactions.
- Launched new Education Loan Scheme "Dhanam Vidya Kiran".
- Bank introduced RuPay Classic EMV Chip Debit Cards to customers which provides exclusive benefits and convenience to the Debit Card users.

- Bank integrated with ICEGATE portal for customs duty payments through retail internet banking platform.
- Signed MOU with Ministry of Agriculture & Farmers Welfare (MoA & FW), Delhi for lending under Agriculture Infrastructure Development Scheme.
- Bank has installed E-Kanika/E-Hundi at selected temples for hassle free offerings for devotees.

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 2022-23.

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 Rule.

Listing on Stock Exchanges

The Equity shares of the Bank are listed on BSE Ltd., and National Stock Exchange of India Ltd. The Bank confirms that it has paid the listing fees to all the Stock Exchanges for the financial year 2023-24.

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 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.

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

Number of complaints filed during the financial year - Nil

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

Particulars of Employees

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.

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's 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 the aforesaid documents.

Directors

The composition of the Board of Directors of the Bank is in accordance with 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 and the best practices of Corporate Governance. As on March 31, 2023, the Board comprised of 10 Directors including Managing Director & CEO, 7 non-executive Directors and 2 nominee Directors. 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 6 independent Directors on the Board of the Bank as on March 31, 2023. 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 RBI guidelines.

Changes in the Board during the year

1. Dr. (Capt.) Suseela Menon R., Independent Director of the Bank, resigned from the Board of Directors of the Bank w.e.f. May 01, 2022 due to personal reasons and professional

commitments and there were no other material reasons for the resignation.

2. RBI has appointed Sri Yarasi Jayakumar as Additional Director on the Board of the Bank, in place of Dr. G. Jagan Mohan, for a period of two years from May 30, 2022 to May 29, 2024 or till further orders, whichever is earlier.
3. RBI had extended the tenure of Sri D. K. Kashyap for a period of 2 years w.e.f. 28.09.2022 to 27.09.2024 or till further orders of RBI, whichever is earlier.
4. Sri K. N. Madhusoodanan, Sri Sreesankar Radhakrishnan and Dr. Nirmala Padmanabhan were appointed as Additional Directors (Independent Category) on the Board of the Bank w.e.f. 09.11.2022. Sri Sridhar Kalyanasundaram was appointed as Additional Director (Independent Category) on the Board of the Bank w.e.f. 05.12.2022. The Shareholders approved their appointment as Independent Directors at the Annual General Meeting held on December 30, 2022, for a period of 5 years w.e.f. December 30, 2022.
5. Ms. Vardhini Kalyanaraman was appointed as Additional Director (Independent Category) on the Board of the Bank w.e.f. 21.02.2023. The Shareholders approved the appointment of Ms. Vardhini Kalyanaraman as Independent Director of the Bank for a period of five years with effect from May 19, 2023 vide postal ballot.

Composition of Audit Committee

As on March 31, 2023, the Bank has an 8 member Audit Committee (including 2 RBI Additional Directors). All the eight members of the Committee were non-executive Directors, with Sri Sreesankar Radhakrishnan as its Chairperson and Sri Gopinathan C. K., Sri G. Rajagopalan Nair, Sri K. N. Madhusoodanan, Dr. Nirmala Padmanabhan, Sri Sridhar Kalyanasundaram, Sri D. K. Kashyap and Sri Yarasi Jayakumar as the other Members. The Committee was constituted in accordance with regulatory requirements. The terms of reference of the Committee are in accordance with the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and RBI guidelines.

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 the Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The Bank has also obtained the 'Fit & Proper' declarations from all Directors as prescribed by the 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 as on March 31, 2023 have registered themselves in the Data Bank.

Policy on appointment and remuneration of Directors

The Nomination & Remuneration Committee recommends the appointment/reappointment/continuation of Directors to the Board after conducting due diligence of the Directors on the basis of the "fit & proper" criteria prescribed by RBI along with the provisions of the Companies Act, 2013, 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 Nomination & Remuneration 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 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 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 Banking Regulation Act, 1949, RBI guidelines, Companies Act, 2013 and 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 Whole-time Directors/MD & CEO is subject to prior approval of the Reserve Bank of India (RBI). Therefore, the remuneration or any revision in remuneration to Whole-time Directors/MD & CEO 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 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.

The total remuneration paid to MD & CEO and non-executive Directors for the financial year 2022-23 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 http://www.dhanbank.com/investor_relations/inv_stat_policy.aspx.

Board Level Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and 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 evaluates the performance of non-independent Directors, Chairman and

the Board as a whole. The separate meeting of independent Directors is held once in a year.

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

Changes in Key Managerial Personnel (KMP)

Ms. Kavitha T. A. has been given additional charge as Chief Financial Officer of the Bank in place of Mr. Ramesh A. J., who voluntarily retired from the services of the Bank on August 08, 2022.

Secretarial Auditors and Secretarial Audit Report

Pursuant to Section 204 of the Companies Act, 2013, the Board of Directors of the Bank appointed M/s. V. Suresh Associates, Practicing Company Secretaries, Chennai as the Secretarial Auditors to conduct the Secretarial Audit of the Bank for the financial year 2022-23. 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 2022-23 does not contain any qualification.

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.

Number of Board Meetings

A total of 17 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 Annual Report.

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.dhanbank.com/investor_relations/inv_financials.aspx.

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 www.dhanbank.com/investor_relations/inv_stat_policy.aspx.

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, except the remuneration paid to the Managing Director & CEO, Chief Financial Officer and Company Secretary. There was no related party transaction for which Form AOC-2 was applicable.

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, 2023 and the date of Directors' Report, i.e., September 04, 2023.

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.

Strictures and Penalties

During the last three years, there were no penalties or strictures imposed on the Bank by the Stock exchanges(s) and/or SEBI and/ or any other statutory authorities on matters relating to capital market except as disclosed in the Secretarial Audit Report. There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status of the Bank or the future operations of the Bank.

Management Discussion and Analysis Report

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

Corporate Social Responsibility

The brief outline of the CSR policy of the Bank, overview of the projects taken up by the Bank and other mandatory disclosures are annexed to this Report.

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, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (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 2022-23 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, 2023 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.

Business Responsibility Report

The regulatory provisions relating to the Business Responsibility Reporting are not applicable to the Bank for the financial year ended March 31, 2023.

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 M/s Krishnamoorthy & Krishnamoorthy, Statutory Central Auditors of the Bank and M/s V. Suresh Associates, Secretarial Auditors of the Bank. The Board expresses its sincere appreciation for the dedicated services rendered by officers and employees of the Bank at all levels.

By Order of the Board

Sd/-
Gopinathan C. K.
(Director)

Sd/-
Shivan J. K.
(Managing Director & CEO)

Sd/-
K. N. Madhusoodanan
(Independent Director)

Place : Thrissur
Date : 04.09.2023

Place : Thrissur
Date : 04.09.2023

Place : Thrissur
Date : 04.09.2023

Annexure to Directors' Report for the year ended March 31, 2023

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 2022-23
I.	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year	Sri Shivan J. K., Managing Director & CEO (from 01.04.2022): 4.91: 1 considering annual fixed pay as ₹54.00 Lakhs per annum
II.	The percentage increase in remuneration of each director, CFO, CEO, CS in financial year	MD & CEO
		Sri Shivan J. K. Nil
		Chief Financial Officer
		Sri Ramesh A. J. (Till July 2022) 0.04%
		Smt. Kavitha T. A. (From Aug. 2022) 2.95%
		Company Secretary & Secretary to the Board
		Sri Venkatesh H. 21.42%
III.	The percentage increase in the median remuneration of employees in the financial year	8.87%
IV.	The number of permanent employees on the rolls of the Bank	There were 1767 employees as on March 31, 2023
V.	Average percentile increase 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	Normal annual increments and increase in dearness allowance (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:

1. The median salary of the staff members is arrived by taking gross salary for the month of March 2022. The percentage increase in remuneration is only due to the normal annual increments, changes in IBA pay scales and increase in dearness allowance.
2. Remuneration of MD and CEO is regulated by RBI guidelines.

Corporate Social Responsibility (CSR) Activities

1. Brief outline on CSR Policy of the Company.

Dhanlaxmi Bank Limited 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 is committed to financing the economic and developmental activities of the nation with concern for human rights and environment. The Bank's CSR mission is to contribute to the social and economic development of the community. Through a series of interventions, the Bank seeks to mainstream economically, physically and socially challenged groups and to draw them into the cycle of growth, development and empowerment. The Bank's strategy is to integrate its activities in community development, social responsibility and environmental responsibility and encourage each business unit or function to include these considerations into its operations whether directly or in participation or in association with or jointly with NGOs of repute, trusts, partnership, corporates or any other organization as the Bank deems fit.

2. Composition of CSR Committee as on March 31, 2023

S. No.	Name of the Director	Designation/Nature of Directorship	Number of Meetings	
			Held during the Tenure	Attended
1.	Dr. Nirmla Padmanabhan, Chairperson of the Committee	Independent Director	3	3
2.	Sri Shivan J. K.	Managing Director & CEO	3	3
3.	Sri Gopinathan C. K.	Director	3	2
4.	Sri Sridhar Kalyanasundaram	Independent Director	3	3

3. Provide the web-link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

https://www.dhanbank.com/pdf/22-bod_commitees.pdf

Policy: <https://www.dhanbank.com/pdf/52-Corporate-Social-Responsibility-Policy.pdf>

4. Provide the executive summary along with the weblink(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Not applicable

5. (a) Average net profit of the company as per Section 135(5): **₹41.93 Crore**

(b) Two percent of average net profit of the company as per Section 135(5): **₹83,86,440/-**

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NIL**

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

(e) Total CSR obligation for the financial year (b+c-d): **₹83,86,440/-**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **₹83,86,493/-**

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

(c) Amount spent on Impact Assessment, if applicable: **NIL**

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: **₹83,86,493/-**

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135 (6).	Amount transferred to any fund specified under Schedule VII as per proviso to Section 135 (5).			
	Amount ₹	Date of transfer	Name of the Fund	Amount ₹	Date of transfer
19,75,428	64,11,065	29.04.2023	NIL	NIL	NIL

Details of CSR amount spent against on-going projects for the financial year:

(1) Sl. No.	(2) Name of the project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the Project		(6) Project duration (In Months)	(7) Amount allocated for the project (in ₹)	(8) Amount spent in the current financial Year (in ₹)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135 (6) (in ₹)	(10) Mode of Implementation - Direct (Yes/No)	(11) Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	National Apprenticeship Training Scheme	Promoting Education	No	Across India		12	60,00,000	63,000	59,37,000	Yes	No	
2.	Sevasadanam Kanattukara, Thrissur – Solar Power System & Computer	Environmental sustainability & Education	Yes	Kerala	Thrissur	13	3,50,000	26,000	3,24,000	Yes	No	
3.	Thrissur Pain and Palliative Care society	Healthcare	Yes	Kerala	Thrissur	12	3,00,000	1,50,976	1,49,024	Yes	No	
4.	Govt. Model HSS for Boys School, Thrissur	Healthcare/Safe drinking water	Yes	Kerala	Thrissur	6	40,000	38,959	1,041	Yes	No	
								66,90,000	2,78,935	64,11,065		

Details of CSR amount spent against other than on-going projects for the financial year:

(1) Sl. No.	(2) Name of the project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the Project		(6) Amount spent in the current financial Year (in ₹)	(7) Mode of Implementation - Direct (Yes/No)	(8) Mode of Implementation through Implementing Agency		
				State	District			Name	CSR Registration number	
1.	Mythri Bhavan Old Age Home, Iritty	Homes or hostels for women, orphans, senior citizens	Yes	Kerala	Kannur	4,00,000	Yes	NA		
2.	Thrissur District Cricket Association	Promoting Sports	Yes	Kerala	Thrissur	60,000	Yes	NA		
3.	CDS-Parappukkara	Livelihood Enhancement	Yes	Kerala	Thrissur	95,600	Yes	NA		
4.	CDS-Poomangalam	Livelihood Enhancement	Yes	Kerala	Thrissur	95,600	Yes	NA		
5.	St. Vincent De Paul Hospital, Ollur	Healthcare	Yes	Kerala	Thrissur	85,000	Yes	NA		
6.	Ettumanoor Mahadeva Temple	Healthcare/Safe drinking water	Yes	Kerala	Kottayam	32,500	Yes	NA		
7.	Holy Mount Mental Rehabilitation Center, Kannur	Healthcare	Yes	Kerala	Kannur	2,00,000	Yes	NA		
8.	Kerala Social Security Mission, Thiruvananthapuram	Healthcare/Promoting Education	Yes	Kerala	Thiruvananthapuram	2,51,000	Yes	NA		
9.	Govt. School, Thanjavur	Promoting Education/Healthcare/Safe drinking water	Yes	Tamil Nadu	Thanjavur	75,000	Yes	NA		
10.	Schools Under Gitabhavan Trust – VBHS & SGTSV Nochima	Promoting Education	Yes	Kerala	Ernakulam	99,120	Yes	NA		
11.	Balasabha – CDS, Aryanad	Promoting Education	Yes	Kerala	Thiruvananthapuram	27,673	Yes	NA		
12.	Devamatha School under KESS Bhavan	Promoting Education	Yes	Kerala	Thrissur	1,50,000	Yes	NA		
13.	Govt. high School, Tirunelveli	Promoting Education	Yes	Tamil Nadu	Tirunelveli	75,000	Yes	NA		
14.	Amrita Viswa Vidyalayam	Promoting Education	Yes	Tamil Nadu	Ramanathapuram	50,000	Yes	NA		
								16,96,493		

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per Section 135(5)	83,86,440
(ii)	Total amount spent for the Financial Year	83,86,493
(iii)	Excess amount spent for the financial year [(ii)-(i)]	53
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

(7) a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135 (6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2021-22	26,51,443	3,14,596	NIL	NIL	NIL	23,36,847
2.	2020-21	18,57,720	4,21,500	NIL	NIL	NIL	14,36,220
3.	2019-20	NA	0	0	0	0	0

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

FY 2021-22

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration (in Months)	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project- Completed/ Ongoing
1.	01/2021-22	Sparsh Services for Persons with disabilities in Wayanad	2021-22	12	4,44,000	2,58,000	4,44,000	Completed
2.	02/2021-22	CDS Thrissur Municipal Corporation	2021-22	24	3,18,943	25,000	1,75,000	Ongoing
3.	03/2021-22	Thrissur Municipal Corporation	2021-22	36	21,60,000	0	20,000	Ongoing
4.	04/2021-22	Smart Class Room & facilities upgradation to Govt. Junior Basic School (GJBS), Peruvamba	2021-22	24	2,24,500	0	2,00,000	Ongoing
5.	05/2021-22	Waste management system to Community Health Centre, Nemmara	2021-22	24	1,40,000	31,596	1,11,596	Ongoing
					32,87,443	3,14,596	9,50,596	

FY 2020-21

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration (in Months)	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed/ Ongoing
1.	01/2020-21	TMA Education Scholarships	2020-21	48	4,00,000	1,00,000	3,00,000	Ongoing
2.	02/2020-21	Punkunnam Jn. Central Median development and upkeep	2020-21	48	17,92,000	3,21,500	4,55,780	Ongoing
					21,92,000	4,21,500	7,55,780	

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

YES NO

If Yes, enter the number of Capital assets created/acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the Property or asset(s)	Date of creation	Amount of CSR Amount spent	Details of entity/Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address

Not Applicable

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

To the extent possible, projects were either implemented or identified as on-going projects for completion in the subsequent financial year.

SHIVAN J. K.
Managing Director & CEO
DIN: 09008166

Place : Thrissur
Date : 04.09.2023

Dr. Nirmala Padmanabhan
Chairman of the CSR Committee
DIN: 09455116

Place : Thrissur
Date : 04.09.2023

Form No. MR-3
SECRETARIAL AUDIT REPORT
For the Financial Year 2022-23

[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

We 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 Bank)**. Secretarial Audit was conducted in a manner that provided to us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of **DHANLAXMI BANK LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India. We hereby report that in our opinion, the Bank has, during the audit period covering the financial year ended 31st March 2023, complied with the statutory provisions listed hereunder and also that the Bank has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. DHANLAXMI BANK LIMITED** ("the Bank") for the financial year ended on 31st March 2023 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 there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Bank during the audit period)**
- (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 amendments from time to time; **(Not applicable to the Bank during the audit period)**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Bank during the audit period)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021; **(Not applicable to the Bank during the audit period)**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable)**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Bank during the audit period)**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2021; **(Not applicable to the Bank during the audit period)**

Other Laws specifically applicable to this Bank is as follows:

- (vi) The Reserve Bank of India Act, 1934;
- (vii) The Banking Regulation Act, 1949;
- (viii) The Banking Companies Regulation (Companies Rules), 1949;
- (ix) The Banking Companies (Period of preservation of Records) Rules, 1985;

- (x) Prevention of Money Laundering Act, 2002;
- (xi) Credit Information Companies (Regulation) Act, 2005;
- (xii) The Deposit Insurance and Credit Guarantee Corporation Act, 1961;
- (xiii) The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 except the followings:

(i) During the period under audit, The Composition of Board & its various Committees such as (i) Audit Committee, (ii) Nomination & Remuneration Committee, (iii) Stakeholder Relationship Committee were not in compliance of Regulation 17, 18, 19 & 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the two quarters ended 30.06.2022 & 30.09.2022 respectively.

(ii) The quorum for the various Committee meetings detailed below was not in compliance with Regulations 18, 19 & 20 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Name of the Committees	Date of Committee Meetings
Audit Committee	19.05.2022, 08.08.2022, & 09.11.2022
Nomination & Remuneration Committee	15.10.2022
Stakeholder Relationship Committee	23.06.2022 & 29.09.2022

(iii) The provisions of the RBI Circular RBI/2021-22/24 DOR.GOV.REC.8/29.67.001/2021-22 dated 20.04.2021 on composition of the Board and various mandatory Committees of the Board are not complied with.

(iv) The matter with regard to the appointment of directors on the Board of the Bank was pending before the Hon'ble High Court of Kerala till October 2022. Therefore, the quorum/composition of Board/Committees were not as per the Regulatory provisions till 09.11.2022. The Board was reconstituted on 09.11.2022, after which the composition of the various Committees as well as quorum for the various Committee Meetings have been in the line with the Regulatory provisions.

(v) The Bank has paid a penalty of ₹55,000/- plus GST each to BSE & NSE for delay of 11 days in filing the half-yearly disclosure w.r.t Related party transactions under Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent to 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.

Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes.

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

For **V. Suresh Associates**
Practising Company Secretaries

V. Suresh

Senior Partner

FCS No. 2969

C.P. No. 6032

Peer Review Cert. No.: 667/2020

UDIN: F002969E000395020

Place : Chennai

Date : 26.05.2023

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
The Members
Dhanlaxmi Bank Limited
Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Bank. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.
4. Where ever required, we 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. Our examination was limited to the verification of procedures on test basis.
6. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Bank.

For **V. Suresh Associates**
Practising Company Secretaries

Place : Chennai
Date : 26.05.2023

V. Suresh
Senior Partner
FCS No. 2969
C.P. No. 6032
Peer Review Cert. No.: 667/2020
UDIN: F002969E000395020

Management Discussion and Analysis Report

Global Economy

While the global economy is recovering from the after effect of the COVID-19 pandemic, it continues to face another major challenge; the Russia-Ukraine war. The war has had a significant impact on the global economy, including:

Disrupted trade and supply chains: The war has disrupted trade and supply chains, which has led to higher prices for goods and services. This has had a negative impact on economic growth and inflation.

Inflation: Inflation has risen sharply in many countries in the wake of the war. This is due to higher energy and food prices, as well as supply chain disruptions. Inflation is squeezing household budgets and businesses and forcing central banks to raise interest rates to combat inflation.

Reduced policy space for governments: Governments have less policy space to stimulate the economy in the wake of the war and supply side disruptions. This is because they were already running large budget deficits to support their economies during the pandemic. They are also facing higher interest rates, which will make it more expensive to borrow money.

EMDEs more vulnerable to the impact of the war: EMDEs (Emerging Market and Developing Economies) are more vulnerable to the impact of the war than developed economies. This is because they are more reliant on commodities and are more vulnerable to financial shocks. The war has already led to a decline in investment and growth in EMDEs and this trend is expected to continue in the coming years.

The war in Ukraine is a major setback for the global economy. It will take years for the world to recover from the damage that it has caused. In the meantime, policymakers need to carefully manage the trade-offs between supporting growth and controlling inflation. They will also need to provide support to EMDEs, which are more vulnerable to the impact of the war.

Indian economy

India's economy is expected to grow by 6.0 to 6.8% in 2023-24, driven by strong credit growth to the micro, small and medium enterprises (MSME) sector, increased capital expenditure (capex) by the central government, a decline in inventory overhang in the housing market and a rebound in private consumption.

However, there are some risks to India's economic growth, including the ongoing Russia-Ukraine war, rising inflation, and the after effect of the impact of COVID-19 pandemic. The

government needs to take steps to mitigate these risks and ensure that India's economy continues to grow.

The MSME sector is a major driver of employment and growth in India. Strong credit growth to this sector in recent months is a positive sign for the economy. The Central Government has also increased its capital expenditure in recent months, which is a sign that it is committed to investing in infrastructure and other projects that will boost economic growth.

The inventory overhang in the housing market has declined in recent months, suggesting that demand for housing is increasing. India's exports have also surged in recent months, a positive sign for the economy. Private consumption, which accounts for a large share of India's GDP, has also rebounded in recent months.

The ongoing Russia-Ukraine war is causing global economic uncertainty, which could have a negative impact on India's economy. Rising inflation is eroding consumer spending power and could also have a negative impact on economic growth. Overall, India's economy is expected to grow at a healthy pace in 2023-24. However, there are some risks that could derail this growth. The government need to take steps to mitigate these risks and ensure that India's economy continues to grow.

Kerala economy

Kerala has long been a leader in social and economic development. It has topped the SDG India Index for three years in a row and has the lowest multidimensional poverty index in the country. In 2021-22, the Kerala economy grew by 12%, despite the challenges posed by the COVID-19 pandemic. This growth was driven by strong performances in the agriculture, industry and tertiary sectors.

The government of Kerala is committed to further developing the state's economy. In the 14th Five-Year Plan, the Government has set a target of achieving a high-income status for Kerala by 2030.

Here are some of the key factors that have contributed to Kerala's economic growth:

- **Strong public investment:** The government of Kerala has made significant investments in infrastructure, education and healthcare. This has helped to create a skilled workforce and a conducive environment for businesses.
- **High literacy rate:** Kerala has one of the highest literacy rates in India. This has made the state a hub for knowledge-based industries.

- Favourable demographics: Kerala has a young population with a low dependency ratio. This is a major advantage for economic growth.
- Kerala Model of Development: Kerala has a unique development model that emphasizes social justice and equity. This has helped to create a stable and prosperous society.

The Kerala economy is expected to continue to grow in the coming years. The government's focus on education, healthcare and infrastructure will continue to drive growth. The state's young population and favourable demographics will also be a major boost.

However, there are some risks to Kerala's economic growth. The global economic slowdown and the rising cost of living are two major challenges that the state needs to address. The government needs to take steps to mitigate these risks and ensure that Kerala continues to grow at a healthy pace.

Regulatory Measures and Monetary Policies

Bank regulation refers to the formulation and implementation of rules and restrictions by the government or central bank to regulate banking institutions. The requirements, restrictions, and guidelines ensure consumer protection and operational transparency.

A healthy financial system is essential for a country's economy. Banks are a major part of it. Regulations not only control the functions of these financial institutions but also provide a framework within which they have to work. Regulations explain how banks are regulated and supervised.

Financial Performance

The Bank declared a net profit of ₹49.36 Crore for the year ended March 31, 2023 as against ₹35.90 Crore during the previous year. Total business of the Bank as on 31.03.2023 stood at ₹23205.38 Crore as against ₹20846.47 Crore as on 31.03.2022. The total deposits of the Bank stood at ₹13351.65 Crore and gross advance stood at ₹9853.73 Crore as on 31.03.2023. Gross NPA and Net NPA percentage stood at 5.19% and 1.16% respectively in the current year against 6.32% and 2.85 % respectively in the previous year. CRAR as on 31st March, 2023 was at 12.32% against 12.98% as on 31st March, 2022. Book Value of the Shares as on March 31, 2023 improved to ₹37.99 from ₹35.57 as on 31st March, 2022.

In terms of compliance with the SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulations 2018, following ratios have changed by more than 25%, as per details given below:

Ratios	Mar-23	Mar-22	Variance
Net Profit Margin	4.31%	3.31%	30.21%
Return on Net worth	7.06%	5.31%	33.13%

Net profit Margin: Net profit registered Y-o-Y growth of 37.49% (from Net profit of ₹35.90 Crore in FY 2022 to net profit of ₹49.36 Crore in FY 2023) as against Y-o-Y growth of 5.53% in Total Income (from ₹1085.76 Crore in FY 2022 to ₹1145.75 Crore in FY 2023).

Return on Net worth: Net profit registered Y-o-Y growth of 37.49% (from Net profit of ₹35.90 Crore in FY 2022 to Net Profit of ₹49.36 Crore in FY 2023) as against Y-o-Y growth of 3.28% in net worth of the Bank (from ₹676.63 Crore in FY 2022 to ₹698.83 Crore in FY 2023).

Credit Approval

A comprehensive Credit Policy has been put in place in the Bank with the following broad objectives:

- 'On board' and maintain quality loan assets of acceptable risk profile.
- Secure a reasonable return on the assets.
- Achieve proper sectoral/geographical distribution of assets.
- Comply with regulatory norms in respect of exposure caps, pricing, IRAC guidelines, targeted credit, etc.
- Ensure transparency in the process of sanctions.

Bank is adopting a careful assessment of risk-return trade-off, which is critical to its success. Transparency is ensured at all levels of processing. Bank is committed to meet its social responsibility goals. The bank aims to be a banking partner to its clients to provide sustainable competitive advantage in the medium to long term.

Credit Cards

A robust system as per international standards is in place for credit card operations in the Bank. Bank is issuing globally valid Platinum credit cards in association with the Visa International Service Association (VISA). During the financial year Bank introduced various initiatives to enhance customer experience by offering value added services to credit card customers viz., complementary airport lounge access, additional rewards points during festival seasons, special schemes in association with leading hospitality chain, attractive EMI options etc.

Credit Administration

In order to ensure safety and quality of credit portfolio, Credit Administration Team plays a key role in the post sanction credit process such as, timely and orderly dispensation of credit, security creation, account management, monitoring the conduct of the assets, ensuring quality of asset portfolio, safeguarding securities charged to the Bank, reporting of irregularities and adherence to terms of sanction through continuous liaison with the branches. This team helps to strengthen the post sanction activities in the delinquency prone areas and plug the gaps. Remedial measures are taken proactively to prevent slippages. All Management Information systems are in place and the data automation is done in most of the critical areas. There was a

significant reduction in the SMA position of the Bank as on 31.03.2023 compared to the previous financial year FY 2021-22. The total SMA of the Bank reduced from ₹324.60 Crore to ₹223.54 Crore. The total SMA reduced by 31.13% and SMA 2 reduced by 15.56% compared to 2021-22.

Non-Performing Assets Management

The Bank has a Board approved Recovery Policy in place which underwent revision during the Financial Year to adapt to evolving economic conditions and regulatory modifications affecting Non-Performing Asset (NPA) management within the country.

Through a strategic and vigilant approach, the Bank was successful in preventing the migration of accounts into NPAs during the financial year. Moreover, commendable progress was made in recovering substantial amounts from existing NPA accounts.

Notably, to address unsecured small value loans in the loss category, the Bank introduced a specialized initiative named the "Dhan-Azadi" One Time Settlement (OTS) Scheme. This scheme aimed to enhance recovery efforts in small value accounts and incentivise defaulters to engage in productive settlement negotiations. In alignment with the OTS Scheme, the Bank streamlined decision-making processes by empowering Branches and Regional Offices with the authority to sanction OTS under the Scheme. The introduction of the scheme yielded promising outcomes, fostering constructive dialogue with defaulters and facilitating successful settlements. The resounding success of this initiative prompted plans for its continuation into the next financial year.

Over the course of the financial year, the Bank achieved notable reductions in both Gross NPA and Net NPA figures. The Gross NPA decreased from ₹533.54 Crore as of March 31, 2022, to ₹511.15 Crore as of March 31, 2023. Similarly, the Net NPA figure declined from ₹232.16 Crore to ₹109.20 Crore during the same period.

The diligent efforts of the Bank are reflected in the percentage improvements of NPA figures. The Gross NPA percentage improved from 6.32% as of March 31, 2022, to 5.19% as of March 31, 2023. Similarly, the Net NPA percentage witnessed a significant reduction from 2.85% to 1.16% during the same time frame.

The bank's unwavering focus on recovery, coupled with proactive measures to minimize fresh slippages, lays a strong foundation for moderating NPA levels in the foreseeable future. The positive trajectory observed in this reporting period underscores the Bank's commitment to sound financial management and prudent risk mitigation.

Business Development and Planning

The department is responsible for devising the business plan, set budgets for the branches/regions, driving the business, oversee the implementation of RBI guidelines on customer

service and management of complaints. The department acts as an effective coordinator between the Management, various regional administrative offices and the branches.

The department also handles business development activities such as branch expansions, introduction of new products & services, branch operations support, digital banking promotion, public relations and publicity measures, brand building initiatives and review of existing products and processes.

The department publishes various MIS to Management and Business units and runs campaigns as part of driving the Business.

Bank entered in to tie-up with Fintech partner for providing micro finance loans under priority sector. The end-to-end customer onboarding, credit underwriting and disbursement is automated. All the required documents are collected and signed digitally.

Government Initiatives

Bank entered into Memorandum of Understanding with Central Board of Direct Taxes and Central Board of Indirect Taxes for collection of direct and indirect Taxes. The online collection of Customs Duty through Retail Internet Banking is already commenced and collection of GST and Income Tax payments is in final stage of implementation.

Bank actively promotes the PM's social security schemes Atal Pension Yojana (APY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY). APY provides Government backed pension scheme to the unorganised 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. Bank is also actively involved in promoting the Sovereign Gold Bond Scheme of Government of India.

Bank received the following awards for best performance in Atal Pension Yojana Scheme:

- Award of Excellence in APY "Circle of Excellence" Campaign.
- Award of Excellence in "APY Annual Award FY 2022-23".
- Award of Appreciation in "APY Annual Awards for State Coordinators 2022-23 - Gujarat State".
- Award of Excellence in "APY Annual Awards for State Coordinators 2022-23 - Kerala State".

Bank is associated 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 ensures availability of basic banking services and products to all, thereby reaching the unreached, unbanked and under-banked areas. Bank has engaged 4 Financial Literacy Centres in the state of Kerala and conducted 407 Financial Literacy awareness campaigns during the financial

year 2022-23, to provide basic banking knowledge to people across various part of the Society.

The Reserve Bank has been taking several initiatives to improve customer awareness on extant regulations to protect consumer interests, alternative grievance redress mechanisms, safe banking practices, etc, through various media and print campaigns. As a part of these initiatives, Nation-wide Awareness Programme was launched in November 2022. Bank had actively participated in the campaign by conducting training programmes at various branch locations.

Bank engaged 17 Business Correspondents for effective implementation of financial inclusion programme, to reach the banking services in sub service areas of a branch.

The Bank has opened 180543 BSBD accounts as on March 31, 2023 with an outstanding balance of ₹68.97 crore.

Pradhan Mantri Jan Dhan Yojana (PMJDY):

Pradhan Mantri Jan Dhan Yojana (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, 2023, Bank has opened 30481 PMJDY accounts.

Micro credit (SHGs Bank linkage):

Bank has established healthy business network with strong, viable and sustainable Non Govt Organisation (NGOs) to provide micro credit for economically weaker strata, especially women. The association enables the Bank to create a profitable lending platform with wide outreach and acceptance. In 2022-23, Bank entered business relation with NGOs like KAIROS, VISWASREE and CHETHANA to support and improve livelihood activities through SHG and JLG lending mechanism to bring the marginalized in socio-economic main stream. As on March 31, 2023, the Bank had 810 JLG loans with outstanding of ₹11.62 Crore and 14077 SHG loans with outstanding of ₹713.96 crore.

Aadhaar Enrolment Centers

Govt. of India, Department of Financial Services under Ministry of Finance had directed banks to become Enrolment Registrars with UIDAI so as to set up AADHAAR enrolment stations at branch premises. As on March 31, 2023, Bank has 27 Aadhaar Enrolment centres across various states.

Public Relations and Publicity

Bank continues its publicity and marketing efforts by way of social media, localized and regional initiatives in reaching out to its customers. As a part of its community involvement, Bank participated and encouraged local events and functions thereby growing with the society.

Bank's Operations at Sabarimala

The Bank has been the principal bankers to Travancore Devaswom Board since 1970s. Bank had accepted 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.

Third Party Products Distribution

Associate Products Division exclusively handles Third Party Products (TPP), its distribution, functioning and execution. Bank has entered into agreement with leading Life Insurance, General Insurance and Mutual Fund Companies for distribution of their products. Bank has arrangement with Bajaj Allianz Life Insurance Company and Canara HSBC Life Insurance Company for Life Insurance Products, Bajaj Allianz General Insurance Company Limited and SBI General Insurance Company Limited for general insurance products and HDFC Life Insurance for insurance of SHG Members. Bank tied up with SMC Global Securities Limited for providing share trading facilities to the customers.

Treasury Department

The Bank's gross Investment portfolio as on 31 March 2023 was ₹4,036.62 Crore –consisting of ₹3339.13 Crore SLR instruments and ₹697.49 Crore non SLR instruments. In domestic treasury operation, the yield of investment portfolio was 5.65 %. During the year ended 31.03.2023, no investments were sold from Held to Maturity (HTM) category. Due to adverse market condition, Treasury booked loss of Rs 2.36 Crore during the Financial Year. Treasury office was moved to a prime location at Prabhadevi, Mumbai during the year.

Infrastructure Management

Infrastructure Department takes care of Management of Premises, Fixed Assets, Security & communication equipment, etc., and getting infrastructure related works coordinated through various Regional Offices. 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 taken up during the FY 2022-23 are as follows:

- Shifted 17 branches to new premises, bringing more facility and visibility to branches.
- Refurbishment undertaken in 25 branches to have more convenience for employees and customers.
- "Swachhata Drive 2022" undertaken during October to December 2022 towards Cleanliness Drive and upkeep of premises with active participation of all branches.

- Eight new branches were opened at various locations during the financial year
- Bank's first branch at Thrissur was brought back to Bank owned premises which is located in the heart of the city.
- Steps taken for the utilisation and upkeep of all Bank owned premises.
- New software for processing and follow up of lease rentals implemented.

Operations Department

In order to ensure better efficiencies, control and integrity of data, Bank had set up an Operations Department at Corporate Office effective from July 1, 2021 and the following functions were brought under the control of Operations Department: -

- Cash Management and Currency Chests
- Regional Processing Centers,
- Central Processing Centre,
- Branch Banking Operations,
- Offsite Surveillance,
- Trade Finance Operations.

Cash Management and Currency Chest Operations:

- The average Cash to Deposit ratio of the Bank reduced significantly.
- Loss on account of idle cash reduced during the year 2022-23, through implementation of proper monitoring and cash management.
- Coins worth ₹15.95 crore were disposed of during FY 22-23.
- In view of huge accumulation of ₹10 coins at branches/ Chests, obtained separate RBI approval for storage of ₹10 coin in a separate vault room.
- During FY 2022-23, fresh chest linkage request for 17 branches were taken up with RBI and the same got approved. Temporary chest linkage facility for Pamba and Sabarimala Sannidhanam branches were also approved by RBI during the current FY.
- Compliance level of Currency Chest operations improved. Both Chests are rated as Low Risk by RBI, based on the inspection done by RBI officials at regular intervals.
- Soiled note of ₹296.18 crore was remitted at RBI by both Currency Chests during the FY 2022-23.

Management of Regional Processing Centers: Rationalisation of the RPCs based on the functions handled were carried out and re-aligned the activities resulting in considerable saving in cost and resources. The overall volume of work handled at RPCs increased with the increase in deposits thereby supporting the business functions.

Central Processing Centre (CPC): Central Processing Centre (CPC) under the Operations Department is handling the following activities.

Payments & Settlements: Payments and settlement team in CPC handles electronic payment operations of the Bank including RTGS and NEFT operations, NACH operations, bulk transactions processing, etc. The team started automation

process of all the NACH products during the year and ensued that there are no rejections during the NACH file uploads. The team ensures timely passing on of DBT credits including Govt social security measures credits, to customer accounts. Complying with Regulator's direction, not to return DBT credits related to the account holders, the team ensures DBT credits related to operations restricted accounts. Steps have taken to reduce the work load of branches by increasing the transaction file bulk upload facility through this team.

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

Account Activation & maintenance of Central KYC (CKYC) division handles operations related to CASA account opening activation, Gift card account activation and uploading of individual new customer ID into the CKYC portal. A few of the achievements of this team are listed below:

- ✓ 116% growth in CASA account opening.
- ✓ 252% growth in Gift card account opening.
- ✓ 133% growth in Individual new customer id upload

Request Processing of Security deliverables and Logistics team ensured increased safety of deliverables and to reduce the cost and TAT, National level Account Facility agreement has been executed with Speed Post Department. Started a process of sharing of data of expired cards to branches to enable them to contact customers to strengthen relationship, reactivation of SB accounts and Re-KYC compliances. Further, the team handles the activities such as Taxable ID linkage, management of Mobile Number Revocation List removal data for permanently disconnected mobile numbers which are published in TRAI web site.

Loans Team manages the opening and limit set up of all loans and advances other than Gold Loans and loan against deposits. Turnaround Time has considerably improved for Loan Account Opening, compared to previous years. Scaled up account opening process at par with the business requirements of different verticals. Training given to all Branches for preparation of sanction note and Limit Set-up by which TAT for Loan Account Opening has considerably improved compared to previous years.

Branch Banking Operations Division: Considerable improvement in Re-KYC compliance levels (more than 50% completion of pending positions achieved). Video KYC process was implemented for Re-KYC, with a very low rejection percentage. Streamlining of many activities ensuring compliance to regulatory guidelines viz., current account opening, routing account reconciliation etc. were done. To facilitate the smooth functioning of branches, Branch Banking Operations division

issued Policies/Circulars/SOPs/Desk Cards/Learning series, etc., on Current Accounts, Video KYC, Record Maintenance, Mobile Number Revocation List, DEA fund, Recurring Deposit, Safe Deposit Locker Operations, Account Opening & Re-KYC Process, DD/BC Issuance, Recurring Deposit, etc.

Offsite Surveillance System (OSS) Team: Bank's Offsite Surveillance System Team is functioning under Operations Department. 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 scope of the Offsite Surveillance System covers monitoring of exceptional transactions in CBS and analysing them through reports generated. The rules are set to extract reports on exceptional and overriding transactions in CBS in alignment with the different policies and in compliance with the circulars of the Bank. The Offsite Surveillance System also monitors other alerts and exceptions, in order to prevent and detect any type of abnormal activity carried out by the branch, staff at department whenever such requirements are taken up by Departments.

Trade Finance Central Processing Centre (TFPCPC)

The TFPCPC team was brought under Operations Department during the FY 2021-22. The Forex Business activities of the Bank Branches are coordinated by this team. TFPCPC organizes trade-related workshops/Trainings to the stake holders by partnering with Trade bodies like ECGC, to provide a platform for networking with Exporters/Importers and other Trade/Regulatory Bodies.

Forex Business: 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 Union Territories. The entire back-end trade finance operations are centralized at Bank's new Corporate Office at Thrissur, Kerala and are handled by a team which is well versed with these kinds of transactions and can handle any kind of complex products of Cross Border Transactions. The objective of Trade Finance Central Processing Centre (TFPCPC) is to ensure error free & TAT based processing of transactions. Major products offered in Trade Finance are listed below:

- Pre-Shipment Advance – Packing Credit in Indian Rupees and Foreign Currency.
- Post Shipment Advance – Export Bills Negotiation/Discounting.
- Trade Credits- Suppliers Credit/Buyers Credit.
- Collection of Import/Export Documents.
- Remittance - Foreign Outward and Inward Remittance.
- Bank Guarantees – Inland and Foreign.
- Standby Letter of Credits.
- Letter of Credit – Inland and Foreign.
- Foreign Direct Investment and Overseas Direct Investment – Complete solutions including timely Reporting to RBI.

Alternate Channels

Bank has 270 ATM terminals across the country to cater to the requirement of the customers which includes 16 Cash Recyclers (CR) facilitating the customers to deposit cash into their Dhanlaxmi Bank Account without visiting any of the branches. During last year Bank installed 11 new onsite ATM machines in different new branch locations and 8 ATMs were shifted and the interiors are renovated along with the branch renovation activity. For customer convenience, selected ATMs were re-calibrated with smaller denomination currency.

As part of enhancing the customer experience and customer convenience, the Bank has introduced contactless debit card in association with RuPay. To comply with the RBI instruction, Bank incorporated Card on File Tokenization Facility (CoFT) for Online transactions.

The Bank has tied up with 3 service providers for providing EDC (PoS) machines and facilitating electronic transactions to its customers.

For customer convenience, the Bank has implemented new BBPS (Bharat Bill Pay System) in the upgraded Internet Banking and Mobile Banking application which facilitates Bill payments across a variety of billing categories.

Audit & Inspection Department

While the business continues to grow, with the advent of emerging technology, evolving business models, Cyber security, Data privacy, Dynamic regulatory environment 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, thereby protecting and adding value to the organization. Internal Audit 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 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. Internal auditors of the Bank were given training from time to time at Southern India Banks Staff Training College, Bangalore. For the purpose of conducting concurrent audit as per the norms of the RBI, the Bank has appointed 63 experienced chartered accountant firms for auditing 55 Branches and 10 Business Units of the Bank during FY 2022-23. Besides, the Bank is also utilizing the service of the retired Officers of the Bank on a selective basis for the purpose of internal audit.

During FY 2022-23, internal audit department had conducted Risk Based Internal Audit (RBIA) in 183 Branches and 9 Business Units of your Bank. 55 Branches and 18 Business units were brought under concurrent audit coverage. Surprise check was

conducted in 51 Branches. 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. Audit on outsourced activities is conducted once in three years. Information System audit was conducted on Digital Banking, SWIFT application, payment systems RTGS/NEFT, Data Centre, Disaster Recovery Centre and other critical applications in terms of the IS Audit plan.

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, etc.

Vigilance Department

Vigilance function of the Bank aims to attain high levels of integrity in Systems and Procedure by creating Awareness and developing Commitment and Probity at all levels, contributing high standards of efficiency and professionalism. Vigilance function is responsible to ensure that public money is not misused by delinquent elements by using/misusing the loopholes in the systems and procedures.

Vigilance Department of the Bank is having a well-defined and comprehensive Board approved Policy, being reviewed annually by the Board of the Bank. Bank is having a Whistle Blower policy with an objective to conduct the affairs of the Bank in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. 'Whistle Blower Policy' provides a mechanism for employees/stakeholders to report the instances of corruption, misuse of Office, unethical behaviour, actual or suspected fraud or violation of the Bank's code of conduct, failure to comply with existing rules and regulations resulting in financial loss/operational risk, loss of reputation etc., detrimental to Depositors/Public Interest. The Department is responsible for conducting investigation, wherever necessary, based on the complaint/input from the Whistle Blowers'. This is in addition to the Protected Disclosure Scheme framed in tune with the RBI directions.

Vigilance Department is committed to fight against corruption in all spheres of its operations, to uphold an honest, transparent and efficient organizational culture through awareness, system improvement and preventive measures. Department sensitizes the officials about the need of a robust appraisal and effective credit monitoring mechanism during the entire cycle of the loan account and precaution to be taken while performing duties in day-to-day activities to avert the risk of fraud.

All fraud related issues are handled by Vigilance Department as per regulatory norms, which includes Investigation on frauds/Serious irregularities and timely reporting of frauds to the RBI and the Board. The department conducts Root Cause Analysis of Frauds reported and wherever system flaws/control weakness are identified, control measures are suggested or taken up with

concerned Department for its proper implementation, so as to avoid recurrence of such incidents.

For prevention of frauds, Vigilance Department has initiated the process for blocking of on-boarding customers, whose PAN number and names are reflected in CFR data, for fraud committed in other Banks. In respect of existing customers, whose name is reflected in CFR data, necessary due diligence and care is taken with regard to operation of the account.

Information Technology

Bank has made considerable progress on its digital banking strategy during the year with a focus on changing the core, reinventing whole customer journeys, and serving as ecosystem partners of choice. During the year, Bank launched digital journeys for microlending and investment products like Sovereign gold bonds, and other digital platforms as well. To provide the retail customers with a world-class customer experience, the Bank has also made extensive changes to the online and mobile banking platforms.

The introduction of digital products has played a significant role in reducing turnaround times and streamlining documentation, ultimately leading to enhanced customer satisfaction.

Proactive measures are being made to increase operational effectiveness and productivity by leveraging the power of analytics. In this regard, different dashboards, such as the Branch Information System, and digital products have been introduced for day-to-day monitoring of key business parameters.

The Bank's initiatives on the digital front have been widely recognized, providing an overarching view of the efforts and performance.

Awards & Recognitions on Technology front:

- 'IT PROJECT TEAM OF THE YEAR' in the Technology Excellence Awards 2022, organised by M/s Quantic Business Media Pvt Ltd.
- 'BEST TECHNOLOGY BANK OF THE YEAR AWARD' for the FY 2022-23 under BFSI Leadership Awards 2022 program on 15th September 2022, organized by M/s Quantic India.
- 'DIGITAL DISRUPTORS AWARD' during the 3rd BFSI Gamechanger Summit by Elets Technomedia on 27th August 2022.
- We are the first Bank in India to offer API-based E-Mandate using AADHAAR authentication of recurring payment mandates and recognised by NPCI.

Key Initiatives implemented in Financial Year 2022-23: In continuation with Bank's focus on optimizing business growth while providing best in industry services to our valued customers, Bank has introduced a host of products/services in the current financial year 2022-23 as listed below;

- To optimize the Digital banking offerings, Bank revamped the net banking 'DhanDelight' and mobile banking platform 'DhanSmart' with enhanced security via multi-factor authentication, biometric login and Self-registration functionalities.

- Launch of all new revamped and improved corporate website.
- In-app authentication (Smart ID) mechanism to authenticate transactions without relying on SMS based OTP for digital transactions.
- API-based E-Mandate using AADHAAR authentication of recurring payment mandates to customers.
- The integration of the Bank with the Vahan portal for online addition, continuation, and termination of vehicle loan hypothecation is a significant step towards digitizing and streamlining the vehicle loan process. The Vahan portal is an initiative by the Ministry of Road Transport & Highways, Government of India, aimed at providing a centralized platform for various vehicle-related services.
- PFMS platform to access information and perform transactions related to government schemes
- QR Code Issuance. Bank has distributed 9827 QR stand to merchants during FY 2022-23.
- Monitoring the Availability of Cash in ATMs and ensuring availability of cash at all times.
- Bank has successfully implemented a software across all its branches for processing of loan proposals within expected TAT.
- Enabled indirect tax payment in retail net banking.
- End-to-End Digital Lending Platform for Micro loans, in which applying for loan, KYC validation, eligibility-based check on the scheme guidelines, sanction, digital document execution (e-stamping & e-signing) and disbursement of the loan are taken care of.

Compliance to International Standards: Bank has been recertified with ISO: 27001:2013 for Data Centre, Near Data Centre, Disaster Recovery centre and Department of Information Technology/Technology Operations and the certification is valid for a period of 3 years from 27/04/2022 till 26/04/2025. It is certified that the Information Security management system of the organization has been assessed and found to be in accordance with the requirements of the ISO 27001:2013 standard.

One of the key focus areas of the Digital strategy has been to increase efficiencies and deliver better cost income profile for the Bank by transforming the processes and operations.

Information Security

Rapid digitization of business, increasing transaction intensity and connectivity to networks and ecosystems has made cyber security increasingly important. The Bank needs to be prepared for cyber risk as it becomes more digital and maintain open and flexible platforms to encourage partnerships and innovation. Hence Bank has established a robust information security framework for securing its IT infrastructure and systems. The Bank has an Information Security Group (ISG) functioning at Corporate Office. ISG is primarily responsible for identifying, assessing and proposing mitigation for every information-security-related risk. This responsibility is carried out by interacting with various

committees and stakeholders and preparing plans, proposals, policies, procedures and guidelines. ISG is also responsible for the Education, Awareness and Promotion of Information Security initiatives across the bank.

As per the RBI guideline on Cyber Security, Bank has formulated Cyber Security Policy, Information Security Policy, Digital Payment Security Policy, Business Continuity Policy and Cyber Crisis Management Plan which are reviewed on a periodic basis. Also, Bank has established Security Operation Centre to detect and respond to Cyber incidents. The Bank has been implementing guidelines by RBI on Cyber Security Framework. The Bank also conducts and participates in cyber security drills to continuously finetune its response mechanisms. The Bank also runs multiple awareness and internal simulation exercises to ensure high levels of employee awareness on information security. The Bank was certified with ISO/IEC 27001:2013, for Information Security Management System. This certification is the assurance that this Bank is in line with the cyber security standards for keeping the Information Systems secured. In the year 2022, Bank got recertified on ISO/IEC 27001:2013 standard for another 3 years.

Bank has established Security Operation Centre (SOC) to detect and respond to Cyber incidents. Bank also conducts and participates in cyber security drills to continuously finetune its response mechanisms. Moreover, the Bank runs multiple awareness and internal simulation exercises to ensure high levels of employee awareness on information security. Bank has deployed Endpoint Detection and Response (EDR) solution to detect and respond against the advanced cyber-attacks like ransom ware attacks.

Bank has also established data governance policy & framework to effectively handle risks pertaining to data handling Bank has deployed comprehensive Data leakage prevention solution to ensure sensitive data is protected.

Rewards & Recognitions: Bank has received CSO100 awards for 2022 by Foundry.

Legal

The Bank has to its credit a well-defined Legal Policy, which defines and takes care of the functions of the Legal Department of the Bank inter-alia, the following:

- to devise the ways and means to suggest and implement preventive legal measures in tune with the statutory provisions, regulatory prescriptions and judicial expositions
- to ensure proper due diligence and documentation in furthering the business of the Bank
- to initiate legal steps from time to time to secure the interest of the Bank
- to 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.
- to take care of all suits filed by and against the Bank with scrupulous monitoring and timely steps

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 changes and judicial decisions.

Legal Department is capable of supporting the Bank to understand legislative and regulatory change that may impact business model and operations. Legal Department takes care of prosecution of cases in courts and litigation management.

KYC – “Know Your Customer” and AML – “Anti Money Laundering”

KYC (Know Your Customer) and AML (Anti Money Laundering) are crucial practices in the financial industry to ensure the integrity of transactions and protect against illegal activities such as money laundering.

The AML function assesses customers’ identities and financial activities to detect suspicious behaviour that might indicate money laundering or other illicit financial activities. This assessment is based on various factors, including the nature of transactions.

To effectively carry out its AML responsibilities, the Bank has implemented a well-defined AML application. The AML application is designed to analyse transaction data and identify any potentially suspicious patterns or activities.

By diligently implementing AML measures, the Bank fulfils its responsibilities under the Prevention of Money Laundering Act, a legal framework to combat money laundering and related financial crimes.

Risk Management

Bank has adopted an integrated approach for the management of risk. The Bank’s risk management structure is 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 Policy, Asset Liability Management Policy, Operational 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 monitoring of Risk management.

Credit Risk: 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 Rating standards and benchmarks, addressing issues in implementation of Rating, prudential limits on credit exposure, etc.

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 risk 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. All exposures of ₹2 lakh and above will come under the purview of rating. The Bank has put in place ‘Rating Migration Analysis’ of all credit exposures of ₹25 lakh and above. Credit risks inherent in investments in non-SLR Bonds are being assessed independently by treasury mid office using the internal rating models.

Market 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 exposure of a bank to financial loss through movements 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 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. 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. 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 during 2010-11 and has successfully completed RCSAs in majority of the branches and other business functions. Collation of Loss Events is also being continued as a measure to move towards The Basel III 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.

Compliance

Compliance Department is the guardian to the rule books of the bank and regulator. It protects the Bank from taking excessive risks by ensuring that the business is within the regulatory parameters.

Compliance Department of the Bank is staying abreast of the changing regulatory requirements, expectations and industry practices. The Department is ensuring the best practice of compliance across various levels of the Bank. The Compliance Policy formulated by the Bank empowers the compliance function as an adequately enabled, strengthened and independent unit. The policy helps to ensure the effective monitoring and co-ordination of the compliance functions in the Bank. The policy is reviewed periodically and suitable changes are made to fall in line with the guidelines issued by the regulators from time to time.

The Compliance Manual which contains the compliance functions of each and every unit in the Bank serves as a guidance material for branches/offices. It is comprehensively updated to stay contemporary. The Bank has a well laid-down procedure and online mechanism to monitor the compliance functions. A network of compliance team is available for overseeing the compliance functions at various levels. Compliance Monitoring Officers have been nominated in all units to monitor the compliance functions and to develop a robust compliance culture in the Bank.

The Bank is focusing on employee education through circulars, frequent contact sessions, e-learning, online Tests, etc., to sensitize them on the need for a strong compliance culture and also striving to develop a robust/dynamic compliance culture in the Bank. For all matters related to compliance, the Department is functioning as a focal point for regulators like RBI, SEBI, IRDAI, etc. The Compliance function has been further strengthened by implementation of various regulations across the Bank and proactive detection of any compliance lapses coupled with quick remediation. To ensure compliance with all regulatory aspects and robustness of the controls, the Department

has strengthened the monitoring and conducted thematic reviews.

The main function of Compliance Department is to ensure strict observance of all statutory provisions contained in various legislations such as Banking Regulation Act, Reserve Bank of India Act, Foreign Exchange Management Act, Prevention of Money Laundering Act, etc., as well as to ensure observance of other regulatory guidelines issued from time to time, standards and codes prescribed by IBA, FEDAI, FIMMDA, etc., and also Bank's internal policies and fair practices code. The activities of Compliance function is based on a well-defined Compliance Framework approved by the Board of Directors. Compliance function conducts compliance testing at various functional units and failures, if any, are brought to the notice of the Board of Directors. The Compliance Department acts as the focal point for receipt and dissemination of all regulatory and internal guidelines/instructions. Compliance Department ensures that appropriate instructions get promptly percolated within the organization, the instructions are actually received at each office, and the instructions are implemented. Compliance Department plays the pivotal role in the area of identifying the level of compliance risk in each business line, products and processes and issue instructions to operational functionaries.

Human Resources

The Bank's employee strength was 1767 as on March 31, 2023 against 1724 as on March 31, 2022. Bank had recruited 107 employees in the FY 2022-23.

During the year, 1484 employees were trained through 162 programs. Bank has imparted special thrust on Credit, Information Security & Cyber Security, Compliance, Preventive Vigilance, Fraud Awareness, Digital Banking, Trade Finance, Selling Skills and other programs related to regulatory guidelines.

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. During the financial year, to the extent possible, projects were either implemented or identified as on-going projects for completion in the subsequent financial year.

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 September 04, 2023)

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, the category of each Director, the sector represented by them according to the Banking Regulation Act, 1949 and the equity shares held by each Director in the Bank as on March 31, 2023 are given below:

Sl. No.	Name of Director	Category of Director	Sector represented by the Director according to the Banking Regulation Act, 1949
1.	Sri Shivan J. K.	Managing Director & CEO	Banking
2.	Sri Gopinathan C. K.	Non-Executive Director	Minority
3.	Sri G. Rajagopalan Nair	Non-Executive Independent Director	Information Technology
4.	Sri D. K. Kashyap	RBI Additional Director	NA
5.	Sri Yarasi Jayakumar	RBI Additional Director	NA
6.	Sri K. N. Madhusoodanan	Non-Executive Independent Director	Agriculture & Rural economy
7.	Sri Sreesankar Radhakrishnan	Non-Executive Independent Director	Minority
8.	Dr. Nirmala Padmanabhan	Non-Executive Independent Director	Economics
9.	Sri Sridhar Kalyanasundaram	Non-Executive Independent Director	Risk Management
10.	Ms.Vardhini Kalyanaraman	Non-Executive Independent Director	Accountancy

The Board of Directors of the Bank as on March 31, 2023 had 10 Directors comprising of the Managing Director & CEO, 6 independent non-executive 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.

All the Directors have rich experience and specialized knowledge in various sectors like banking, agriculture and rural economy, economics, risk management, information technology, 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 RBI guidelines.

As on the date of this report, Sri Gopinathan C. K. holds 18970000 Equity Shares (7.49%) of the Bank. Sri K.N Madhusoodanan holds 511360 equity shares of the Bank (0.20%) and M/s Mavalan Granites Private Limited, where he is the promoter as well as Managing Director, holds 433210 equity shares of the Bank (0.17%). Sri Shivan J. K, Managing Director & CEO holds 550 equity shares of the Bank and Sri Sridhar Kalyanasundaram holds 100 shares of the Bank. No other Director holds any shares in the Bank. None of the Directors hold directorship in any other listed/public limited companies. Further, 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.

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

Board Meetings

A total of 17 Board Meetings were held during the year and the dates are as under:

20.04.2022, 19.05.2022, 30.05.2022, 15.06.2022, 27.06.2022, 27.07.2022, 08.08.2022, 02.09.2022, 30.09.2022, 09.11.2022, 05.12.2022, 19.12.2022, 30.01.2023, 31.01.2023, 21.02.2023, 15.03.2023 and 29.03.2023.

The details of attendance of each Director at the Board meetings and at the last Annual General Meeting (AGM) held on December 30, 2022 are as follows:

Sl. No.	Name of Director	No. of Board Meetings		Attendance at last AGM
		Held during the Tenure	Attended	
1.	Sri Shivan J. K.	17	17	Present
2.	Sri Gopinathan C. K.	17	16	Present
3.	Sri G. Rajagopalan Nair	17	17	Present
4.	Sri D. K. Kashyap, RBI Additional Director	17	16	NA
5.	Sri Yarasi Jayakumar, RBI Additional Director	14	13	NA
6.	Sri K. N. Madhusoodanan	7	7	Present
7.	Sri Sreesankar Radhakrishnan	7	7	Present
8.	Dr. Nirmla Padmanabhan	7	6	Present
9.	Sri Sridhar Kalyanasundaram	6	6	Present
10.	Ms. Vardhini Kalyanaraman	2	2	NA
11.	Dr. (Capt.) Suseela Menon R.	1	1	NA
12.	Dr. G. Jagan Mohan, RBI Additional Director	3	0	NA

Change in Directors during the year 2022-23

1. Dr. (Capt.) Suseela Menon R, Independent Director of the Bank, resigned from the Board of Directors of the Bank w.e.f. May 01, 2022 due to personal reasons and professional commitments and there were no other material reasons for the resignation.
2. RBI has appointed Sri Yarasi Jayakumar as Additional Director on the Board of the Bank, in place of Dr. G. Jagan Mohan, for a period of two years from May 30, 2022 to May 29, 2024 or till further orders, whichever is earlier.
3. RBI had extended the tenure of Sri D. K. Kashyap for a period of 2 years w.e.f. 28.09.2022 to 27.09.2024 or till further orders of RBI, whichever is earlier.
4. Sri K. N. Madhusoodanan, Sri Sreesankar Radhakrishnan and Dr. Nirmla Padmanabhan were appointed as Additional Directors (Independent Category) on the Board of the Bank w.e.f. 09.11.2022. Sri Sridhar Kalyanasundaram was appointed as Additional Director (Independent Category) on the Board of the Bank w.e.f. 05.12.2022. The Shareholders approved their appointment as Independent Directors at the Annual General Meeting held on December 30, 2022.
5. Ms. Vardhini Kalyanaraman was appointed as Additional Director (Independent Category) on the Board of the Bank w.e.f. 21.02.2023. The Shareholders approved the appointment of Ms. Vardhini Kalyanaraman as Independent Director of the Bank for a period of five years with effect from May 19, 2023 vide postal ballot.

Committee position of Directors in the Bank as on March 31, 2023

Sl. No.	Name of Director	Chairman	Member
1.	Sri Shivan J. K.	<ol style="list-style-type: none"> 1. Large Value Fraud Monitoring Committee 2. Redressal Committee on Willful Defaulters & Review Committee on Non-Cooperative Borrowers 	<ol style="list-style-type: none"> 1. Credit & Business Committee of Board 2. NPA Monitoring Committee 3. Risk Management Committee 4. HRD Committee 5. Stakeholders' Relationship Committee 6. Corporate Social Responsibility Committee 7. Customer Service Committee 8. IT Strategy Committee 9. Equity Issuance Committee
2.	Sri Gopinathan C. K.	<ol style="list-style-type: none"> 1. Stakeholders' Relationship Committee 2. HRD Committee 	<ol style="list-style-type: none"> 1. Audit Committee 2. Credit & Business Committee of Board 3. NPA Monitoring Committee 4. Nomination & Remuneration Committee 5. Corporate Social Responsibility Committee 6. Customer Service Committee 7. Equity Issuance Committee
3.	Sri G. Rajagopalan Nair	<ol style="list-style-type: none"> 1. Credit & Business Committee of Board 2. NPA Monitoring Committee 3. IT Strategy Committee 	<ol style="list-style-type: none"> 1. Audit Committee 2. HRD Committee 3. Large Value Fraud Monitoring Committee 4. Risk Management Committee 5. Nomination & Remuneration Committee 6. Redressal Committee on Willful Defaulters & Review Committee on Non-Cooperative Borrowers 7. Equity Issuance Committee
4.	Sri D.K Kashyap RBI Additional Director	–	<ol style="list-style-type: none"> 1. Audit Committee
5.	Sri Yarasi Jayakumar RBI Additional Director	–	<ol style="list-style-type: none"> 1. Audit Committee
6.	Sri K.N Madhusoodanan	<ol style="list-style-type: none"> 1. Customer Service Committee 2. Nomination & Remuneration Committee 3. Equity Issuance Committee 	<ol style="list-style-type: none"> 1. Audit Committee 2. HRD Committee 3. Large Value Fraud Monitoring Committee 4. NPA Monitoring Committee 5. Stakeholders' Relationship Committee 6. IT Strategy Committee
7.	Sri Sreesankar Radhakrishnan	<ol style="list-style-type: none"> 1. Audit Committee 	<ol style="list-style-type: none"> 1. Large Value Fraud Monitoring Committee 2. NPA Monitoring Committee 3. Risk Management Committee 4. Stakeholders' Relationship Committee 5. Customer Service Committee 6. IT Strategy Committee 7. Nomination & Remuneration Committee 8. Redressal Committee on Willful Defaulters & Review Committee on Non-Cooperative Borrowers 9. Equity Issuance Committee
8.	Dr. Nirmala Padmanabhan	<ol style="list-style-type: none"> 1. Corporate Social Responsibility Committee 	<ol style="list-style-type: none"> 1. Audit Committee 2. Credit & Business Committee of Board 3. HRD Committee 4. Risk Management Committee 5. Stakeholders' Relationship Committee 6. Customer Service Committee 7. IT Strategy Committee 8. Nomination & Remuneration Committee
9.	Sri Sridhar Kalyanasundaram	<ol style="list-style-type: none"> 1. Risk Management Committee 	<ol style="list-style-type: none"> 1. Audit Committee 2. Large Value Fraud Monitoring Committee 3. NPA Monitoring Committee 4. Corporate Social Responsibility Committee 5. IT Strategy Committee 6. Redressal Committee on Willful Defaulters & Review Committee on Non-Cooperative Borrowers 7. Equity Issuance Committee

None of the Directors hold directorship in any other listed/public limited companies. 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.

Further, none of the Directors of the Bank are related inter-se, in terms of Section 2(77) of the Companies Act, 2013 and the rules made thereunder.

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 were 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, as on March 31, 2023, in terms of Section 10A(2)(a) of the Banking Regulation Act, 1949, were as follows:

Sl. No.	Name of Director	Skills/Expertise/Competencies
1.	Sri Shivan J. K.	Banking
2.	Sri G. Rajagopalan Nair	Information Technology
3.	Sri K. N. Madhusoodanan	Agriculture & Rural economy
4.	Dr. Nirmala Padmanabhan	Economics
5.	Sri Sridhar Kalyanasundaram	Risk Management
6.	Ms. Vardhini Kalyanaraman	Accountancy

2. COMMITTEES OF BOARD

The Board has constituted various Committees of the Board in accordance with the provisions of Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Banking Regulation Act, 1949, RBI guidelines 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 and composition of the Committees as on March 31, 2023 and the number/dates of meetings of various Committees in the financial year 2022-23 along with the attendance of the Directors in such meetings are detailed below:

(A) Audit Committee

The Board of the Bank had constituted Audit Committee with 8 Members (including RBI Additional Directors). All the Members of the Committee are non-executive Directors.

(i) Composition of the Committee as on March 31, 2023

- Sri Sreesankar Radhakrishnan, Chairperson of the Committee
- Sri Gopinathan C. K., Member of the Committee
- Sri G. Rajagopalan Nair, Member of the Committee
- Sri K. N. Madhusoodanan, Member of the Committee
- Dr. Nirmala Padmanabhan, Member of the Committee
- Sri Sridhar Kalyanasundaram, Member of the Committee
- Sri D. K. Kashyap, Member of the Committee
- Sri Yarasi Jayakumar, 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 auditor's 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 dishonored 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 8 times during the year on 20.04.2022, 19.05.2022, 08.08.2022, 09.11.2022, 16.12.2022, 31.01.2023, 21.02.2023 and 29.03.2023.

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

Sl. No.	Name of the Director	Number of Meetings	
		Held during the tenure	Attended
1.	Sri Sreesankar Radhakrishnan, Chairperson of the Committee (Inducted to the Committee w.e.f. 05.12.2022)	5	5
2.	Sri Gopinathan C. K.	8	6
3.	Sri G. Rajagopalan Nair	8	8
4.	Sri K. N. Madhusoodanan (Inducted to the Committee w.e.f. 05.12.2022)	4	3
5.	Dr. Nirmala Padmanabhan (Inducted to the Committee w.e.f. 05.12.2022)	4	4
6.	Sri Sridhar Kalyanasundaram (Inducted to the Committee w.e.f. 19.12.2022)	5	5
7.	Sri D. K. Kashyap	8	7
8.	Sri Yarasi Jayakumar (Member of the Committee w.e.f. 30.05.2022)	6	5
9.	Dr. (Capt.) Suseela Menon R. Committee (Ceased to be Director w.e.f. 01.05.2022)	1	1
10.	Dr. G. Jagan Mohan (Ceased to be Director w.e.f. 30.05.2022)	2	0

(B) Credit & Business Committee of Board

(i) Composition of the Committee as on March 31, 2023

- Sri G. Rajagopalan Nair, Chairperson of the Committee
- Sri Shivan J. K., Member of the Committee
- Sri Gopinathan C. K., Member of the Committee
- Dr. Nirmala Padmanabhan, 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 11 times on 13.05.2022, 23.05.2022, 29.06.2022, 11.08.2022, 15.09.2022, 15.10.2022, 23.12.2022, 24.01.2023, 24.02.2023, 23.03.2023 and 27.03.2023 during the year.

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

Sl. No.	Name of the Director	Number of Meetings	
		Held during the Tenure	Attended
1.	Sri G. Rajagopalan Nair, Chairperson of the Committee	11	11
2.	Sri Shivan J. K.	11	11
3.	Sri Gopinathan C. K.	11	10
4.	Dr. Nirmala Padmanabhan (Inducted to the Committee w.e.f. 05.12.2022)	5	5

(C) Nomination & Remuneration Committee

(i) Composition of the Committee as on March 31, 2023

- Sri K. N. Madhusoodanan, Chairperson of the Committee
- Sri Gopinathan C. K., Member of the Committee
- Sri G. Rajagopalan Nair, Member of the Committee
- Sreesankar Radhakrishnan, Member of the Committee
- Dr. Nirmala Padmanabhan, 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 prerequisites, retirements, 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 20.04.2022, 15.10.2022, 02.12.2022, 16.12.2022, 05.01.2023, 08.02.2023, 24.02.2023 and 28.03.2023 during the year.

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

Sl. No.	Name of the Director	Number of Meetings	
		Held during the Tenure	Attended
1.	Sri K. N. Madhusoodanan, Chairperson of the Committee (Inducted to the Committee w.e.f. 05.12.2022)	6	6
2.	Sri Gopinathan C. K.	8	8
3.	Sri G. Rajagopalan Nair	8	8
4.	Sri Sreesankar Radhakrishnan (Inducted to the Committee w.e.f. 05.12.2022)	6	6
5.	Dr. Nirmala Padmanabhan (Inducted to the Committee w.e.f. 05.12.2022)	6	6
6.	Dr. (Capt.) Suseela Menon R. (Ceased to be Director w.e.f. 01.05.2022)	1	1

(v) Performance Evaluation 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, 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 as on March 31, 2023 have registered themselves in the Data Bank.

(D) Risk Management Committee

(i) Composition of the Committee as on March 31, 2023

- Sri Sridhar Kalyanasundaram, Chairperson of the Committee
- Sri Shivan J. K., Member of the Committee
- Sri G. Rajagopalan Nair, Member of the Committee
- Sri Sreesankar Radhakrishnan, Member of the Committee
- Dr. Nirmala Padmanabhan, 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 6 times during the year on 29.06.2022, 29.09.2022, 23.12.2022, 07.02.2023, 23.02.2023 and 18.03.2023.

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

Sl. No.	Name of the Director	Number of Meetings	
		Held during the Tenure	Attended
1.	Sri Sridhar Kalyanasundaram, Chairperson of the Committee (Inducted to the Committee w.e.f. 19.12.2022)	4	4
2.	Sri G. Rajagopalan Nair	6	6
3.	Sri Shivan J. K.	6	6
4.	Sri Gopinathan C. K. (Ceased to be member of the Committee w.e.f. 05.12.2022)	2	2
5.	Sri Sreesankar Radhakrishnan (Inducted to the Committee w.e.f. 05.12.2022)	4	4
6.	Dr. Nirmala Padmanabhan (Inducted to the Committee w.e.f. 05.12.2022)	4	4

(E) NPA Monitoring Committee

(i) Composition of the Committee as on March 31, 2023

- Sri G. Rajagopalan Nair, Chairperson of the Committee
- Sri Shivan J. K., Member of the Committee
- Sri Gopinathan C. K., Member of the Committee
- Sri K. N. Madhusoodanan, Member of the Committee
- Sri Sreesankar Radhakrishnan, Member of the Committee
- Sri Sridhar Kalyanasundaram, 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 4 times during the year on 23.06.2022, 30.09.2022, 16.02.2023 and 28.03.2023.

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

Sl. No.	Name of the Director	Number of Meetings	
		Held during the tenure	Attended
1.	Sri G. Rajagopalan Nair, Chairperson of the Committee	4	4
2.	Sri Shivan J. K.	4	4
3.	Sri Gopinathan C. K.	4	3
4.	Sri K. N. Madhusoodanan (Inducted to the Committee w.e.f. 05.12.2022)	2	2
5.	Sri Sreesankar Radhakrishnan (Inducted to the Committee w.e.f. 05.12.2022)	2	2
6.	Sri Sridhar Kalyanasundaram (Inducted to the Committee w.e.f. 09.12.2022)	2	2

(F) Large Value Fraud Monitoring Committee

(i) Composition of the Committee as on March 31, 2023

- Sri Shivan J. K., Chairperson of the Committee
- Sri G. Rajagopalan Nair, Member of the Committee
- Sri K. N. Madhusoodanan, Member of the Committee
- Sri Sreesankar Radhakrishnan, Member of the Committee
- Sri Sridhar Kalyanasundaram, 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 23.06.2022, 29.09.2022, 30.12.2022 and 24.02.2023.

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

Sl. No.	Name of the Director	Number of Meetings	
		Held during the Tenure	Attended
1.	Sri Shivan J. K., Chairperson of the Committee	4	4
2.	Sri G. Rajagopalan Nair	4	4
3.	Sri K. N. Madhusoodanan (Inducted to the Committee w.e.f. 05.12.2022)	2	2
4.	Sri Sreesankar Radhakrishnan (Inducted to the Committee w.e.f. 05.12.2022)	2	2
5.	Sri Sridhar Kalyanasundaram (Inducted to the Committee w.e.f. 19.12.2022)	2	2
6.	Sri Gopinathan C. K. (Ceased to be member of the Committee w.e.f. 19.12.2022)	2	2

(G) Stakeholders' Relationship Committee

(i) Composition of the Committee as on March 31, 2023

- Sri Gopinathan C. K., Chairperson of the Committee
- Sri Shivan J. K., Member of the Committee
- Sri K. N. Madhusoodanan, Member of the Committee
- Sri Sreesankar Radhakrishnan
- Dr. Nirmala Padmanabhan

(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 4 times during the year on 23.06.2022, 29.09.2022, 30.12.2022 and 29.03.2023.

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

Sl. No.	Name of the Director	Number of Meetings	
		Held during the Tenure	Attended
1.	Sri Gopinathan C. K., Chairperson of the Committee	4	4
2.	Sri Shivan J. K.	4	4
3.	Sri K. N. Madhusoodanan (Inducted to the Committee w.e.f. 05.12.2022)	2	2
4.	Sri Sreesankar Radhakrishnan (Inducted to the Committee w.e.f. 05.12.2022)	2	2
5.	Dr. Nirmala Padmanabhan (Inducted to the Committee w.e.f. 05.12.2022)	2	2

(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 01.04.2022	No. of complaints received	No. of complaints resolved	No. of complaints pending as on 31.03.2023
1.	Transfer related Complaints	0	0	0	0
2.	Dividend related Complaints	0	6	6	0
3.	Others	0	4	4	0
Total		0	10	10	0

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

(H) Customer Service Committee

(i) Composition of the Committee as on March 31, 2023

- Sri K. N. Madhusoodanan, Chairperson of the Committee
- Sri Shivan J. K., Member of the Committee
- Sri Gopinathan C. K., Member of the Committee
- Sri Sreesankar Radhakrishnan, Member of the Committee
- Dr. Nirmala Padmanabhan, 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. Tri-ennial 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 23.06.2022, 27.07.2022, 29.09.2022 and 30.12.2022.

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

Sl. No.	Name of the Director	Number of Meetings	
		Held during the Tenure	Attended
1.	Sri K. N. Madhusoodanan, Chairperson of the Committee (Inducted to the Committee w.e.f. 05.12.2022)	1	1
2.	Sri Shivan J. K.	4	4
3.	Sri Gopinathan C. K.	4	4
4.	Sri Sreesankar Radhakrishnan (Inducted to the Committee w.e.f. 05.12.2022)	1	1
5.	Dr. Nirmala Padmanabhan (Inducted to the Committee w.e.f. 05.12.2022)	1	1
6.	Sri G. Rajagopalan Nair (Ceased to be member of the Committee w.e.f. 05.12.2022)	3	3

(I) Corporate Social Responsibility Committee**(i) Composition of the Committee as on March 31, 2023**

- Dr. Nirmala Padmanabhan, Chairperson of the Committee
- Sri Shivan J. K., Member of the Committee
- Sri Gopinathan C. K., Member of the Committee
- Sri Sridhar Kalyanasundaram, 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 3 times during the year on 30.12.2022, 08.02.2023 and 23.03.2023.

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

Sl. No.	Name of the Director	Number of Meetings	
		Held during the Tenure	Attended
1.	Dr. Nirmala Padmanabhan, Chairperson of the Committee (Inducted to the Committee w.e.f. 05.12.2022)	3	3
2.	Sri Shivan J. K.	3	3
3.	Sri Gopinathan C. K.	3	2
4.	Sri Sridhar Kalyanasundaram (Inducted to the Committee w.e.f. 19.12.2022)	3	3

(J) Redressal Committee on Willful Defaulters & Review Committee on Non-cooperative Borrowers

(i) Composition of the Committee as on March 31, 2023

- Sri Shivan J. K., Chairperson of the Committee
- Sri G. Rajagopalan Nair, Member of the Committee
- Sri Sreesankar Radhakrishnan, Member of the Committee
- Sri Sridhar Kalyanasundaram, 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, 2023

- Sri Gopinathan C. K., Chairperson of the Committee
- Sri Shivan J. K., Member of the Committee
- Sri G. Rajagopalan Nair, Member of the Committee
- Sri K. N. Madhusoodanan, Member of the Committee
- Dr. Nirmala Padmanabhan, 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 7 times during the year on 29.06.2022, 22.07.2022, 02.08.2022, 30.09.2022, 08.02.2023, 24.02.2023 and 28.03.2023.

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

Sl. No.	Name of the Director	Number of Meetings	
		Held during the tenure	Attended
1.	Sri Gopinathan C. K., Chairperson of the Committee	7	6
2.	Sri Shivan J. K.	7	7
3.	Sri Rajagopalan Nair (Inducted to the Committee w.e.f. 05.12.2022)	3	3
4.	Sri K. N. Madhusoodanan (Inducted to the Committee w.e.f. 19.12.2022)	3	3
5.	Dr. Nirmala Padmanabhan (Inducted to the Committee w.e.f. 05.12.2022)	3	3

(L) IT Strategy Committee

(i) Composition of the Committee as on March 31, 2023

- Sri G. Rajagopalan Nair, Chairperson of the Committee
- Sri Shivan J. K., Member of the Committee
- Sri K. N. Madhusoodanan, Member of the Committee
- Sri Sreesankar Radhakrishnan, Member of the Committee
- Dr. Nirmala Padmanabhan, Member of the Committee
- Sri Sridhar Kalyanasundaram, 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 4 times during the year on 23.06.2022, 11.08.2022, 19.12.2022 and 16.02.2023

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

Sl. No.	Name of the Director	Number of Meetings	
		Held during the Tenure	Attended
1.	Sri G. Rajagopalan Nair, Chairperson of the Committee	4	4
2.	Sri Shivan J. K.	4	4
3.	Sri K. N. Madhusoodanan (Inducted to the Committee w.e.f. 05.12.2022)	2	1
4.	Sri Sreesankar Radhakrishnan (Inducted to the Committee w.e.f. 05.12.2022)	2	2
5.	Dr. Nirmala Padmanabhan (Inducted to the Committee w.e.f. 05.12.2022)	2	2
6.	Sri Sridhar Kalyanasundaram (Inducted to the Committee w.e.f. 19.12.2022)	1	1
7.	Sri Gopinathan C. K. (Ceased to be member of the Committee w.e.f. 05.12.2022)	2	1

(M) Equity Issuance Committee

(i) Composition of the Committee as on March 31, 2023

- Sri K. N. Madhusoodanan, Chairperson of the Committee
- Sri Gopinathan C. K., Member of the Committee
- Sri G. Rajagopalan Nair, Member of the Committee
- Sri Shivan J. K., Member of the Committee
- Sri Sreesankar Radhakrishnan, Member of the Committee
- Sri Sridhar Kalyanasundaram, Member of the Committee

(ii) Terms of reference

1. Equity Issuance Committee be and is hereby authorized to approve all such acts for the purpose of organizing the proposed Rights Issue and implement completely until its full completion of the Rights issue as aforesaid.

(iii) Number of Meetings during the year

The Committee met 9 times during the year on 23.06.2022, 29.06.2022, 20.07.2022, 15.09.2022, 05.01.2023, 23.01.2023, 06.03.2023, 13.03.2023 and 28.03.2023.

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

Sl. No.	Name of the Director	Number of Meetings	
		Held during the tenure	Attended
1	Sri K. N. Madhusudan, Chairperson of the Committee (Inducted to the Committee w.e.f. 05.12.2022)	5	5
2	Sri Shivan J. K.	9	9
3	Sri Gopinathan C. K.	9	9
4	Sri G. Rajagopalan Nair	9	9
5	Sri Sreesankar Radhakrishnan (Inducted to the Committee w.e.f. 05.12.2022)	5	5
6	Sri Sridhar Kalyanasundaram (Inducted to the Committee w.e.f. 19.12.2022)	5	5

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 February 02, 2023. All the Independent Directors of the Bank attended the meeting.

The agenda for the meeting included:

- Reviewing the performance of non-independent directors and the Board as a whole;
- 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, 2023 are as follows:

EMPLOYEE NAME	POSITION
Chandran L.	General Manager
John Varughese	Head – IT & Digital Banking
Rajan Sreeba	Head – Human Resources
Surendran A. V.	Head – Treasury (In-Charge)
Santoy John	Chief Compliance Officer
Binoy B. S.	Head – Internal Audit
Satheesan V.	Head – Legal
Suresh M Nair	Chief Credit Officer
Sunil Kumar A.	AGM – Infrastructure
Abhilash R.	Chief Risk Officer
Kavitha T. A.	Head – Operations & Chief Financial Officer (In-Charge)
Abhiram Unni M.	Head – Credit Administration & Monitoring
Bijukumar P. H.	AGM – Business Development (Assets)
Raghunath R.	AGM – Business Development & Planning
Ranjith P.	Chief Information Security Officer
Venkatesh H.	Company Secretary & Secretary to the Board

(a) Changes in Senior Management of the Bank during the financial year 2022-23 are as follows:

Sl. No.	Name	Category	Remarks
1.	Sri Ramesh A. J.	Chief Financial Officer	Voluntarily Retired from the services of the Bank on August 08, 2022
2.	Ms. Kavitha T. A.	Chief Financial Officer (In-charge)	Took charge on August 08, 2022
3.	Sri Gurumurthy R. K.	Head – Treasury	Resigned on 16.03.2023
4.	Sri Surendran A. V.	Head – Treasury (In-charge)	Took charge on 16.03.2023

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 Whole-time Directors/MD & CEO is subject to prior approval of the Reserve Bank of India (RBI). Therefore, the remuneration or any revision in remuneration to Whole-time Directors/MD & CEO 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, 2023

1. Remuneration (including perquisites) of ₹54,00,000.00 was paid to Sri Shivan J. K., Managing Director & CEO during the financial year 2022-23.
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. With effect from 30.01.2023, the sitting fees for attending the Meeting of each Board and each Committee has been fixed at ₹40000/-, ₹30000/- respectively. Previously, the same was ₹25000/- and ₹15000/- respectively. The total sitting fee paid by the Bank during the financial year 2022-23 was as follows:

Sl. No.	Name of Director	Total Amount of Sitting Fees paid during the year ended March 31, 2023 (₹)
1.	Sri Gopinathan C. K.	1485000
2.	Sri G. Rajagopalan Nair	1705000
3.	Sri K. N. Madhusoodanan	835000
4.	Sri Sreesankar Radhakrishnan	910000
5.	Dr. Nirmala Padmanabhan	930000
6.	Sri Sridhar Kalyanasundaram	750000
7.	Ms. Vardhini Kalyanaraman	80000
8.	Dr. (Capt.) Suseela Menon R.	55000
Total		67,50,000

The Remuneration Policy of the Bank is hosted on the website of the Bank http://www.dhanbank.com/investor_relations/inv_stat_policy.aspx.

7. INFORMATION ON DIRECTOR PROPOSED TO BE RE-APPOINTED AT THE 96th ANNUAL GENERAL MEETING (REGULATION 36 (3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

SRI GOPINATHAN C. K. (DIN - 01236752)

Date of Birth and age	29.03.1954 ; 69 years
Qualifications	B.Com.
Brief Resume, Experience and Nature of expertise in specific functional areas	Sri Gopinathan C. K. has more than 25 years of experience in the financial sector. He was a Director in the Catholic Syrian Bank Limited for almost 8 years from September 26, 2008 to July 20, 2016. He was also Director of C. K. G. Supermarket Limited and Managing Director of C. K. G. Securities and Investments Limited. Sri Gopinathan C. K. is a major shareholder in the Bank and also has major investments in various leading companies across the State.
Terms and conditions of appointment/re-appointment along with details of remuneration	Sri Gopinathan C. K. will be entitled to sitting fees for attending Board/Committee Meetings.
Details of Remuneration last drawn	Sri Gopinathan C. K. was only paid sitting fees of ₹14,85,000/- for attending Board/Committee Meetings during the financial year 2022-23.
Date of first appointment on Board	August 11, 2016
Sector	Minority
Shareholding in the Bank as on the date of this Notice	1,89,70,000 Equity Shares
Relationship with other Directors, Manager and Key Managerial Personnel of the Bank	Nil
Number of Board Meetings attended during 2021-22	16
Chairman/Member of Committees of Board of Directors of the Bank as on the date of this Notice	<u>Chairman</u> : HRD Committee NPA Monitoring Committee Stakeholders' Relationship Committee <u>Member</u> : Audit Committee Credit & Business Committee of Board Corporate Social Responsibility Committee Customer Service Committee Nomination & Remuneration Committee Equity Issuance Committee
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
95 th Annual General Meeting	30.12.2022 11.00 a.m.	Through Video Conferencing	<ol style="list-style-type: none"> 1. Appointment of Sri K. N. Madhusoodanan as Independent Director of the Bank 2. Appointment of Sri Sreesankar Radhakrishnan as Independent Director of the Bank 3. Appointment of Dr. Nirmala Padmanabhan as Independent Director of the Bank 4. Appointment of Sridhar Kalyanasundaram as Independent Director of the Bank 5. To authorize the Board of Directors of the Bank to issue redeemable secured / unsecured non-convertible debentures (NCDs) 	Nil
94 th Annual General Meeting	29.09.2021 11.00 a.m.	Through Video Conferencing	No Special Resolutions were included in the Notice of the Meeting	<p>The Meeting was not concluded and adjourned as per the Order dated 29.09.2021 of the Hon'ble High Court of Kerala in two Writ Petitions filed against the Bank, i.e., WP(C) 19758/21 and WP(C) 20425/21. Further, there was an interim Order of the Hon'ble High Court of Kerala on 09.03.2022 on the said Writ Petitions directing the Bank to refrain from holding the Annual General Body Meeting (AGM) for the purpose of appointment of the Directors which is the issue involved in this writ petition. The aforesaid Orders did not preclude the Bank from concluding the AGM as regards other issues. Therefore, the Meeting was kept adjourned after considering all the agenda items that were listed in the Notice of the 94th AGM dated 03.09.2021.</p> <p>Later, the above mentioned interim order has been set aside by a judgement dated 25th October 2022 passed by the Hon'ble High court of Kerala in Writ Appeal No. 425 of 2022 and Writ Appeal No. 432 of 2022 filed by the Bank, where the Writ petitions have been held to be not maintainable.</p> <p>In the above circumstances, the 94th AGM was concluded and closed.</p>
93rd Annual General Meeting	30.09.2020 11.00 a.m.	Through Video Conferencing	<ol style="list-style-type: none"> 1. To Increase the Authorised Share Capital and consequent alteration to the Memorandum of Association & Articles of Association of the Bank 	Nil

9. POSTAL BALLOT

During the FY 2022-23, no matters were transacted through postal ballot.

10. 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 http://www.dhanbank.com/investor_relations/inv_stat_policy.aspx.

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, except the remuneration paid to the Managing Director & CEO, Chief Financial Officer and Company Secretary. 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, 2023, 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, 2022.

(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 www.dhanbank.com/investor_relations/inv_stat_policy.aspx.

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 www.dhanbank.com/investor_relations/inv_stat_policy.aspx.

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 approach the Ethics Counselor of the Bank (Chief Vigilance Officer)/Chairman of the Audit Committee of the Board, in case they observe any unethical and improper practices or any other alleged wrongful conduct in the Bank and to prohibit managerial functionaries from taking any adverse personal action against those employees. The Bank will keep the identity of the complainant/customer/other person (whistle blower) secret. All protected disclosures reported under this policy will be thoroughly investigated by the Ethics Counselor/Chairman of the Audit Committee of the Bank. 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 www.dhanbank.com/Policy/Bank Policies/Statutory Policies/Whistle Blower Policy and Code of Conduct. It is affirmed that no personnel has 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:

- Certification programme in IT and Cyber Security for Board Members conducted by The Institute for Development and Research in Banking Technology (IDRBT), established by Reserve Bank of India, on 1st and 2nd of March 2023.
- Program on Board Level commitment on Risk Governance, Board audit impact on organizational excellence and Board level compliance governance for Board Members conducted by The Institute of Directors (IOD) on 17th March 2023.

The details of familiarization programmes are displayed on the website of the Bank www.dhanbank.com/investor_relations/inv_stat_policy.aspx.

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, 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 2022-23, 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 2022-23, 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 last three years, there were no penalties or strictures imposed on the Bank by the Stock exchanges(s) and/or SEBI and/or any other statutory authorities on matters relating to capital market except as disclosed in the Secretarial Audit Report. There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status of the Bank or the future operations of the Bank.

(H) Fees paid to Statutory Auditors

A total fee of ₹43,00,000 (Rupees Forty Three Lakh only) plus applicable taxes was paid to the present Statutory Central Auditors M/s Krishnamoorthy & Krishnamoorthy for Audit, Certification, Quarterly Review and Tax Audit for the FY 2022-23. The travelling and out-of-pocket expenses related to the audit/review were additionally reimbursed on actual basis.

(I) Credit Ratings

During the FY 2022-23, the credit ratings on the outstanding debt instruments of the Bank were reaffirmed as under:

- CARE BB +(Outlook: Stable) for Lower Tier II Bonds from CARE Ratings Limited

The Bank has been obtaining the rating for the Basel III Tier-II Bonds issued in March 2018 from M/s Brickwork Ratings India Pvt. Ltd. ("BWR"). However, SEBI has cancelled the certificate of registration granted to BWR as a Credit Rating Agency vide order dated October 06, 2022. This was followed by Reserve Bank of India Press Release dated 12th October 2022 which had advised that regulated entities shall not obtain any fresh ratings/evaluations from BWR with immediate effect. Later RBI vide circular dated January 09, 2023 advised Banks to use the ratings of certain domestic credit rating agencies for risk weighting their claims for capital adequacy purposes and the list did not include the name of BWR. Further, the above RBI circular had referred to RBI press release dated October 12, 2022 in terms of which regulated entities were advised that in respect of ratings/credit evaluations required in terms of any guidelines issued by the Reserve Bank, no such fresh ratings/evaluations shall be obtained from BWR and Banks shall be continued to be guided by the press release ibid till further review. Considering the regulatory restrictions as detailed above, the Bank decided to discontinue the engagement with BWR for continuing credit evaluation/annual surveillance with effect from February 21, 2023. The same was duly intimated to the rating agency, the Stock Exchanges as well as the Trustees.

(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

No complaints were received during the FY 2022-23 under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and there were no complaints pending to be disposed of under the Act as on March 31, 2023.

11. 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 www.dhanbank.com/investor_relations/inv_financials.aspx.

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) and other applicable rules and regulations.

12. GENERAL SHAREHOLDER INFORMATION

96th Annual General Meeting	Date	September 30, 2023
	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	2022-23	
Date of Book Closure	September 25, 2023 to September 30, 2023 (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. – 532 180 2. National Stock Exchange of India Ltd. – DHANBANK
Registrar and Transfer Agents (RTA)	M/s KFin Technologies Limited (previously known as M/s Kfin Technologies Private Limited/M/s Karvy Fintech Private 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 <u>Contact Person</u> Sri Raj Kumar Kale, Assistant Vice president E-mail: rajkumar.kale@kfintech.com Tel : +91-40-67161736
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

13. 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. (Stock Code: DHANBANK)
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. (Stock Code: 532180)
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
Tel No: (022) 22721233/4, Fax: (022) 22721919

The listing fees payable to the Stock Exchanges for the financial year 2023-24 have already been remitted.

The Lower Tier-II bonds of Rs 150 Crore issued by the Bank on March 20, 2018 are listed on the 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, 2nd Floor, Wadla International Centre
Panduranga Budhakarmarg
Worli, Mumbai – 400 025
Phone: 022-2425 5000, Fax: 022 4325 3000

(B) Market Price Data of Bank's Shares

The monthly high and low prices of the Bank's shares traded in The National Stock Exchange of India Ltd. (NSE) and BSE Ltd. during the financial year are as under:

Month	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2022	14.65	12.10	14.60	12.22
May 2022	14.40	11.65	14.13	11.65
June 2022	12.90	10.70	12.83	10.50
July 2022	12.40	11.40	12.44	11.33
August 2022	12.80	11.65	12.80	11.50
September 2022	13.40	11.80	13.37	11.71
October 2022	12.65	11.35	12.55	11.33
November 2022	16.90	11.75	16.89	11.60
December 2022	26.40	16.25	26.45	16.25
January 2023	21.85	16.70	21.85	16.70
February 2023	18.85	14.90	18.60	14.90
March 2023	17.15	13.50	17.15	13.50

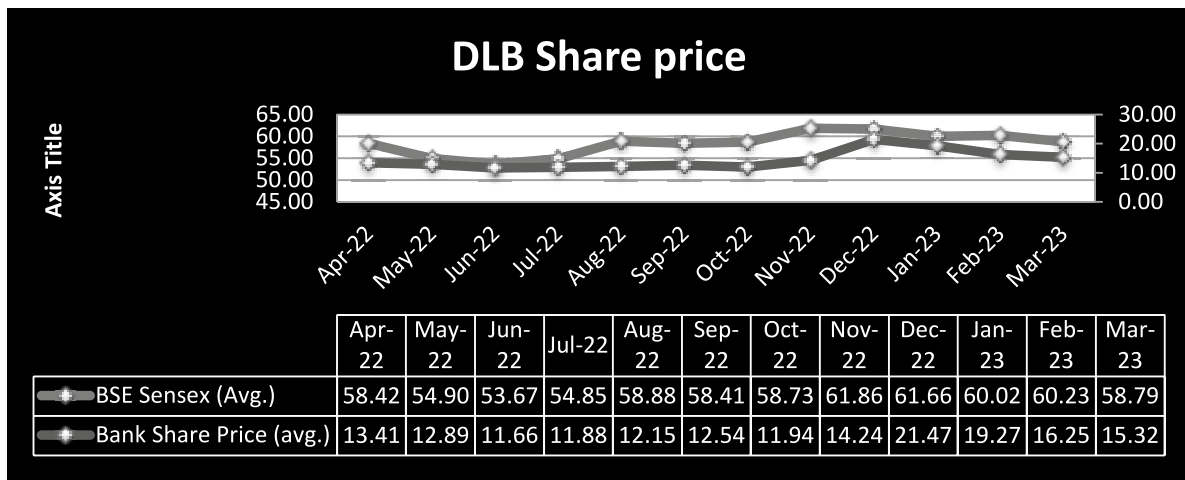
(C) Distribution of shareholding as on March 31, 2023

Category (No. of Shares)	Cases	% of cases	Amount	% of Amount
1-5000	75462	76.45	109764620	4.34
5001-10000	10588	10.73	89624140	3.54
10001-20000	5922	5.99	92465880	3.65
20001-30000	2141	2.17	55875210	2.21
30001-40000	998	1.00	36168690	1.44
40001-50000	977	0.99	46878180	1.85
50001-100000	1412	1.44	107852500	4.26
100001 & above	1209	1.23	1991491620	78.71
Total	98709	100	2530120840	100

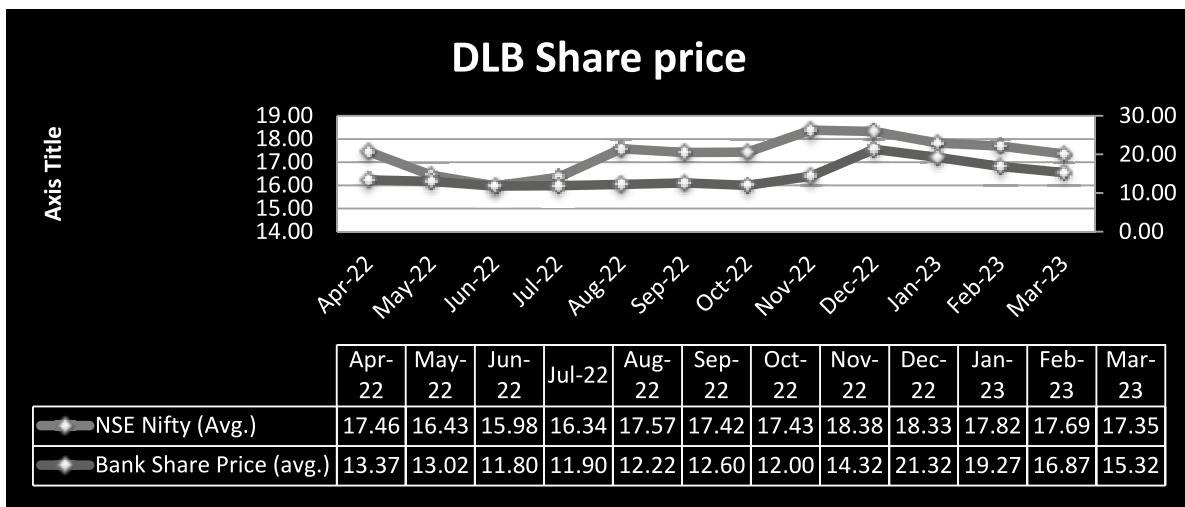
(D) Category-wise distribution of shareholding as on March 31, 2023

Sl. No.	Description	Cases	Shares	% Equity
1.	Banks	1	200	0.00
2.	Clearing Members	71	720884	0.28
3.	Directors	2	19481360	7.70
4.	Foreign Portfolio Investors	8	29085782	11.50
5.	HUF	1341	3936348	1.55
6.	Insurance Companies	1	180986	0.07
7.	Bodies Corporates	360	23090525	9.13
8.	NBFC	3	5600	0.00
9.	Non-Resident Indians	719	22279111	8.80
10.	NRI Non-Repatriation	346	26059552	10.30
11.	Resident Individuals	95854	126813008	50.12
12.	Trusts	2	6300	0.00
13.	IEPF	1	1352428	0.54
	Total	98709	253012084	100

(E) Performance of the Bank's Equity Shares relative to BSE Sensex



(F) Performance of the Bank's Equity shares relative to NSE Nifty



(G) Share Transfer System & Dematerialisation of Shares and Liquidity

The Equity shares of the Bank have been allotted International Securities Identification Number (ISIN) INE 680A01011. As on March 31, 2023, 20,70,784 shares constituting 0.82% of the paid-up capital and 25,09,41,300 shares constituting 99.18% 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), 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 (previously known as M/s KFin Technologies Private Limited/M/s Karvy Fintech Private Limited) as its Registrar & Share Transfer Agents (RTA) and accordingly, processing of share transfer/dematerialisation/rematerialisation and allied activities were being done by them.

As required under Regulation 7(3) of the Listing Regulations, the Bank files, on yearly basis, certificate issued by RTA and compliance officer of the company certifying that all activities in relation to both physical and electronic share transfer facility are maintained by RTA. 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.

The Bank obtains, from a company secretary in practice, yearly certificate of compliance with the share transfer/transmission or transposition of securities formalities as required under Regulation 40(9) of the Listing Regulations, and the Bank files a copy of the same with the Stock Exchanges. 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.

14. 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 or the fund for the dividend amount of that year. 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.

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

The Board of Directors of the Bank as on March 31, 2023 had 10 Directors comprising of the Managing Director & CEO, 6 independent non-executive 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.

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 2022-23 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 timeline and the same is available on the websites of the Stock Exchanges. The results are also available on the Bank's website at www.dhanbank.com 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 Chief Executive Officer

The Bank already has separate posts for Chairperson and Managing Director & Chief Executive Officer as per the RBI regulations and Chairperson will be always a non-executive independent Director. Chairperson will also be normally unrelated to Managing Director & Chief Executive Officer.

16. AFFIRMATION OF COMPLIANCE WITH CODE OF CONDUCT

I, Shivan J. 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.

Place : Thrissur
Date : 04.09.2023

By and on behalf of the Board
Sd/-
Shivan J. K.
Managing Director & CEO

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

To the Members of
Dhanlaxmi Bank Limited

We have examined the compliance of Corporate Governance by Dhanlaxmi Bank Limited, for the year ended 31st March 2023, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Bank for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Bank has complied with the conditions of Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 subject to the following:

- (i) During the period under audit, The Composition of Board & its various Committees such as (i) Audit Committee, (ii) Nomination & Remuneration Committee, (iii) Stakeholder Relationship Committee were not in compliance of Regulation 17, 18, 19 & 20 of the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 for the two quarters ended 30.06.2022 & 30.09.2022 respectively.
- (ii) The quorum for the various Committee meetings detailed below, was not in compliance with Regulations 18, 19 & 20 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Name of the Committees	Date of Committee Meetings
Audit Committee	19.05.2022, 08.08.2022, & 09.11.2022
Nomination & Remuneration Committee	15.10.2022
Stakeholder Relationship Committee	23.06.2022 & 29.09.2022

- (iii) The matter with regard to the appointment of directors on the Board of the Bank was pending before the Hon'ble High Court of Kerala till October 2022. Therefore, the quorum/composition of Board/Committees was not as per the Regulatory provisions till 09.11.2022. The Board was reconstituted on 09.11.2022, after which the composition of the various Committees as well as quorum for the various Committee Meetings have been in the line with the Regulatory provisions.
- (iv) The Bank has paid a penalty of ₹55,000/- plus GST each to BSE & NSE for a delay of 11 days in filing the half-yearly disclosure w.r.t. Related party transactions under Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

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

Peer Review Cert. No.: 667/2020

UDIN: F002969E000395119

Place : Chennai
Date : 26.05.2023

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 – 680 001.

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 – 680 001 (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, 2023 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.

Sl. No.	Name of Director	DIN	Date of appointment in Bank
1.	Mr. Jenemejayan Kamalam Shivan	09008166	30.01.2021
2.	Mr. Chittilangat Kalam Gopinathan	01236752	11.08.2016
3.	Mr. Gangadharan Nair Rajagopalan	08845540	17.08.2020
4.	Mr. Dwijendra Kumar Kashyap	08911524	28.09.2020
5.	Mr. Madhusoodanan Kannimel Narayana Panicker	00396796	09.11.2022
6.	Mr. Sreesankar Radhakrishnan	02128417	09.11.2022
7.	Mr. Sridhar Kalyanasundaram	02732352	05.12.2022
8.	Ms. Nirmala Padmanabhan	09455116	09.11.2022
9.	Ms. Jaya Kumar Yarasi	09630316	30.05.2022
10.	Ms. Vardhini Kalyanaraman	09730053	21.02.2023

*Dr. (Capt.) Suseela Rayirath Menon, Independent Director resigned from the Board on 01.05.2022. Dr. Jagan Mohan Gundam, Additional Director appointed by RBI ceased to be on the Board of the Bank w.e.f. 30.05.2022.

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 : 26.05.2023

Peer Review Cert. No. : 667/2020
UDIN: F002969E000395097

CEO/CFO Certification

We, Shivan J. 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, 2023 and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
 - b) 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

Shivan J. K.
Managing Director & CEO
(DIN : 09008166)

Kavitha T. A.
Chief Financial Officer

Place : Thrissur
Date : May 22nd, 2023

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, 2023, 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 Returns for the year ended on that date audited by the branch auditors of the Bank's branches located across India.

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, 2023, 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 of the financial statements.

Emphasis of Matter

We draw attention to Note No. 14(i) of Schedule 18 to the financial statements regarding amortization of additional liability on account of revision in family pension amounting to ₹14.29 Crores. As stated therein, the bank has charged an amount of ₹2.86 Crores to the profit and loss account for the financial year ended March 31, 2023 and the balance unamortized expenditure of ₹8.58 Crores has been carried forward. Had the bank recognised the entire additional liability in the previous year, the debit balance in profit and loss account shown under reserves and surplus as at March 31, 2023 would have been higher by ₹8.58 Crores.

We draw attention to Note No. 4(g) of Schedule 18 to the financial statements regarding allocation of provision for frauds over a period of four quarters in respect of an advance with outstanding balance of ₹59.40 Crores declared as fraud during Q2 of this financial year, against which provision of ₹14.85 Crores was held as on the date of declaring the account as fraud. As stated therein, Bank has charged an amount of ₹33.41 Crores to the profit and loss account during the year being 75% of the provision required to be made over and above provision already held as on the date of fraud. Bank recovered ₹0.35 Crores in the account subsequently. The balance amount of ₹10.79 Crores has now been charged against revenue reserves under reserves and surplus. Had the bank charged the entire provision to the profit and loss account, the Net profit for the year ended March 31, 2023 would have been lower by a sum of ₹10.79 Crores.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>1. Classification of Advances, Identification of Non-Performing Advances, Income Recognition and Provision on Advances</p>	
<p>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.</p> <p>Advances constitute significant portion of the Bank's total assets. They are, inter alia, governed by income recognition, asset classification and provisioning (IRAC) norms and other circulars and directives issued by the RBI from time to time which provides guidelines related to classification of Advances into performing and non-performing Advances (NPA) and recognition of provisions.</p> <p>The identification of performing and non performing advances involves establishment of proper mechanism and the Bank is required to apply significant degree of judgement to identify and determine the amount of provision required against each non-performing asset ('NPA') applying both quantitative as well as qualitative factors prescribed by the regulations.</p> <p>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.</p> <p>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.</p>	<p>Our audit approach included testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of income recognition, asset classification and provisioning pertaining to advances.</p> <p>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.</p> <p>We evaluated the design, implementation and operating effectiveness of key internal controls over the valuation of securities for NPAs and Special Mention Accounts ('SMA').</p> <p>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.</p> <p>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.</p> <p>We have reviewed the CBS and other related & allied systems for compliance with the prudential norms issued by Reserve Bank of India.</p> <p>We considered the Internal Audit, Systems Audit, Credit Audit and Concurrent Audit reports.</p> <p>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.</p>
<p>2. Information Technology ('IT') Systems and Controls for financial reporting</p>	
<p>The IT environment of the Bank is complex and involves a large number of independent and interdependent IT systems used in the operations of the Bank for processing and recording a large volume of transactions. As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the Bank.</p> <p>Appropriate IT general controls and IT application controls are required to ensure that such IT systems are able to process the data as required, completely, accurately, and consistently for reliable financial reporting.</p> <p>We have identified 'IT systems and controls' as key audit matter because of the high level of automation, significant number of systems being used by the Bank for processing financial transactions, the complexity of the IT architecture and its impact on the financial records and financial reporting process of the Bank.</p>	<p>As a part of our audit procedures for review of the Bank's IT systems and related controls for financial reporting:</p> <ul style="list-style-type: none"> • We have planned, designed and carried out the audit procedures and sample checks, taking into consideration the IT systems of the Bank. We obtained an understanding of Bank's IT environment including integration of various systems to evaluate their adequacy. • We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were reviewed and authorised. We inspected requests of changes to systems for approval and authorisation. <p>In addition to the above, we tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over financial reporting. Where deficiencies were identified, we sought explanations regarding compensating controls or performed alternate audit procedures.</p>

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>3. Recognition and Measurement of Deferred Tax Asset</p> <p>Refer Note No. 15(f) of Schedule 18 to the financial statements relating to Accounting for Taxes on Income.</p> <p>The Bank has recognised a net deferred tax asset of ₹69.12 Crores as on March 31, 2023.</p> <p>The recognition of deferred tax involves judgement regarding the likelihood of realisation of these assets in particular whether there will be sufficient taxable profits in future periods that will support the recognition of these assets. Given the degree of judgement involved in considering these deferred tax assets as recoverable or otherwise, we consider this to be a key audit matter.</p>	<p>Our audit procedures involved gaining an understanding of the applicable tax laws and relevant regulations applicable to the Bank. Our audit procedures included:</p> <ul style="list-style-type: none"> • Evaluation of policies used for recognition and measurement of deferred tax assets in accordance with AS 22 Accounting for Taxes on Income. • Assessed the probability of the availability of profits based on assumptions and other parameters used by the Management against which the Bank will be able to use this deferred tax asset in the future with reference to forecast as noted by the Audit Committee of the Board of Directors. • Assessed the method for determining the Deferred Tax Asset with reference to applicable tax rates and tested the arithmetical accuracy.

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.

Other Matters

We did not audit the financial statements of 237 branches and processing centres included in the financial statements of the Bank whose financial statements reflect total assets of ₹5,944.73 Crores as at 31st March 2023 and total revenue of ₹579.65 Crores for the year ended on that date, as considered in the financial statements. These branches and processing centers cover 59.81% of gross advances, 85.36% of deposits and 41.78% of Non-performing assets as at 31st March 2023 and 50.59% of revenue for the year ended 31st March 2023. 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.

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, 2023 and taken on record by the Board of Directors, none of the directors are disqualified as on 31 March, 2023 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(c) 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(e) 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.

For **Krishnamoorthy & Krishnamoorthy**
Chartered Accountants
(FRN: 001488S)

R. Venugopal
Partner

Place : Kochi
Date : May 22, 2023

Membership No. 202632
UDIN: 23202632BGTCYSY1789

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")

We have audited the internal financial controls with reference to financial statements of Dhanlaxmi Bank Limited ("the Bank") as of 31 March, 2023 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Bank's management is responsible for establishing and maintaining internal financial controls based on the internal 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 unauthorised acquisition, use, or disposition of the bank's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal financial controls with reference to financial statements

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.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Bank has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2023, 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.

For **Krishnamoorthy & Krishnamoorthy**
Chartered Accountants
(FRN: 001488S)

R. Venugopal
Partner

Place : Kochi
Date : May 22, 2023

Membership No. 202632
UDIN: 23202632BGTCYSY1789

Balance Sheet

As at March 31, 2023

(₹ in '000)

	Schedule No.	As at March 31, 2023	As at March 31, 2022
CAPITAL AND LIABILITIES			
Capital	1	25,30,121	25,30,121
Reserves and Surplus	2	70,81,385	64,69,906
Deposits	3	13,35,16,493	12,40,28,899
Borrowings	4	49,23,785	15,00,000
Other Liabilities and Provisions	5	32,69,541	34,28,710
TOTAL		15,13,21,325	13,79,57,636
ASSETS			
Cash and Balances with Reserve Bank of India	6	83,63,373	70,84,032
Balances with Banks and Money at Call and Short Notice	7	1,02,896	2,74,375
Investments	8	3,88,86,427	4,04,40,582
Advances	9	9,45,15,216	8,14,19,836
Fixed Assets	10	25,75,741	22,10,001
Other Assets	11	68,77,672	65,28,810
TOTAL		15,13,21,325	13,79,57,636
Contingent Liabilities	12	66,81,838	51,55,756
Bills for Collection		30,02,642	30,16,867
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

Shivan J. K.
Managing Director & CEO

C. K. Gopinathan
Director

G. Rajagopalan Nair
Director

D. K. Kashyap
Director

Yarasi Jayakumar
Director

K. N. Madhusoodanan
Director

Sreesankar Radhakrishnan
Director

Dr. Nirmala Padmanabhan
Director

Sridhar Kalyanasundaram
Director

Vardhini Kalyanaraman
Director

Kavitha T. A.
Chief Financial Officer

Venkatesh H.
Company Secretary

Chandran L.
General Manager

As per our Report of Even Date
For **Krishnamoorthy & Krishnamoorthy**,
Chartered Accountants
Firm Registration No. 001488S

CA. R. Venugopal
Partner
Membership No. 202632

Place : Thrissur
Date : 22nd May 2023

Profit & Loss Account

for the year ended March 31, 2023

(₹ in '000)

	Schedule No.	Year ended March 31, 2023	Year ended March 31, 2022
INCOME			
Interest Earned	13	1,07,12,371	91,66,375
Other Income	14	7,45,170	16,91,181
Total		1,14,57,541	1,08,57,556
EXPENDITURE			
Interest expended	15	59,54,838	55,43,242
Operating Expenses	16	42,70,666	39,71,328
Provisions and Contingencies		7,38,412	9,83,945
Total		1,09,63,916	1,04,98,515
Profit/Loss			
Net Profit/(Loss) for the year		4,93,625	3,59,041
Profit/(Loss) brought forward		82,57,840	(83,67,488)
Total		(77,64,215)	(80,08,447)
Appropriations			
Transfer to Statutory Reserve		1,23,750	89,770
Transfer to Capital Reserve		-	28,948
Transfer to Investment Reserve Account		-	59,245
Transfer to Investment Fluctuation Reserve Account		-	71,430
Balance carried over to Balance Sheet		78,87,965	(82,57,840)
Total		(77,64,215)	(80,08,447)
Earnings Per Share (in Rupees)		1.95	1.42
Basic EPS		1.95	1.42
Diluted EPS		1.95	1.42
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

Shivan J. K. Managing Director & CEO	C. K. Gopinathan Director	G. Rajagopalan Nair Director	D. K. Kashyap Director
Yarasi Jayakumar Director	K. N. Madhusoodanan Director	Sreesankar Radhakrishnan Director	
Dr. Nirmala Padmanabhan Director	Sridhar Kalyanasundaram Director	Vardhini Kalyanaraman Director	
Kavitha T. A. Chief Financial Officer	Venkatesh H. Company Secretary	Chandran L. General Manager	

As per our Report of Even Date
For **Krishnamoorthy & Krishnamoorthy**,
Chartered Accountants
Firm Registration No. 001488S

CA. R. Venugopal
Partner
Membership No. 202632

Place : Thrissur
Date : 22nd May 2023

Cash Flow Statement

for the year ended March 31, 2023

(₹ in '000)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cash flow from operating activities		
Net profit before tax	3,16,135	3,70,946
Adjustments for :		
Depreciation on fixed assets net of reversal of revaluation reserve	2,11,074	2,00,171
Depreciation on Investments	4,00,772	(6,73,524)
Amortization of premia on investments	2,03,554	1,84,155
Amortization of Deferred Employee Benefits	28,585	28,585
Loan Loss provisions including write off	9,45,679	4,98,882
Provision against standard assets	48,400	(1,38,600)
Provision for NPA (Investments)	(35,007)	5,74,649
Provision for restructured assets	(61,715)	2,97,990
Provision for fraud	11,621	(142)
(Profit)/Loss on sale of fixed assets	(7,669)	(2,157)
Provision for unhedged Forex Exposure	(433)	1,161
Adjustments for :		
(Increase)/Decrease in Investments (excluding Held to Maturity Investments)	16,97,536	75,84,801
(Increase)/Decrease in Advances	(1,40,87,241)	(1,43,42,724)
Increase/(Decrease) in Borrowings	34,23,785	-
Increase/(Decrease) in Deposits	94,87,594	69,09,858
(Increase)/Decrease in Other Assets	(2,01,217)	42,960
Increase/(Decrease) in Other Liabilities and Provisions	(2,18,757)	(1,38,749)
Direct taxes paid (net of refunds)	1,260	(9,883)
Net cash flow from/(used in) operating activities	21,63,956	13,88,379
Cash flows from investing activities		
Purchase of fixed assets	(3,51,927)	(1,61,541)
Proceeds from sale of fixed assets	8,533	2,811
(Increase)/Decrease in Held to Maturity Investments	(7,12,700)	(37,20,971)
Net cash flow from/(used in) investing activities	(10,56,094)	(38,79,701)

(₹ in '000)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cash flows from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	11,07,862	(24,91,322)
Cash and cash equivalents as at the beginning of the year	73,58,407	98,49,729
Cash and cash equivalents as at the end of the year	84,66,269	73,58,407
Note:		
Components of Cash and Cash Equivalents as at:	31.03.2023	31.03.2022
Cash and Balance with Reserve Bank of India (RBI)	83,63,373	67,84,032
Balances with Banks and Money at Call and Short Notice	1,02,896	5,74,375
Total	84,66,269	73,58,407

For and on behalf of Board of Directors

Shivan J. K.

Managing Director & CEO

C. K. Gopinathan

Director

G. Rajagopalan Nair

Director

D. K. Kashyap

Director

Yarasi Jayakumar

Director

K. N. Madhusoodanan

Director

Sreesankar Radhakrishnan

Director

Dr. Nirmala Padmanabhan

Director

Sridhar Kalyanasundaram

Director

Vardhini Kalyanaraman

Director

Kavitha T. A.

Chief Financial Officer

Venkatesh H.

Company Secretary

Chandran L.

General Manager

As per our Report of Even Date

For **Krishnamoorthy & Krishnamoorthy,**

Chartered Accountants

Firm Registration No. 001488S

CA. R. Venugopal

Partner

Membership No. 202632

Place : Thrissur

Date : 22nd May 2023

Schedules to the Financial Statements

As at March 31, 2023

(₹ in '000)

	As at March 31, 2023	As at March 31, 2022
SCHEDULE 1 - CAPITAL		
Authorised Capital		
40,00,00,000 Equity Shares of ₹10 each (Previous Year 40,00,00,000 Equity Shares of ₹10 each)	40,00,000	40,00,000
Issued, Subscribed and Paid-up Capital		
25,30,12,084 Equity Shares of ₹10 each (Previous Year 25,30,12,084 Equity Shares of ₹10 each)	25,30,121	25,30,121
Total	25,30,121	25,30,121
SCHEDULE 2 - RESERVES AND SURPLUS		
I. STATUTORY RESERVES		
Opening Balance	11,80,064	10,90,294
Additions during the year	1,23,750	89,770
Total	13,03,814	11,80,064
II. CAPITAL RESERVES		
a) Revaluation Reserve		
Opening Balance	13,80,676	13,86,519
Additions during the Year	2,25,751	-
Deductions during the year	(5,391)	(5,843)
Sub total	16,01,036	13,80,676
b) Capital Reserve		
Opening Balance	7,32,661	7,03,713
Additions during the year	-	28,948
Sub total	7,32,661	7,32,661
Total (a+b)	23,33,697	21,13,337
III SHARE PREMIUM ACCOUNT		
Opening Balance	1,00,54,482	1,00,54,482
Additions during the year	-	-
Total	1,00,54,482	1,00,54,482
IV REVENUE AND OTHER RESERVES		
a) Revenue Reserve		
Opening Balance	9,12,230	9,06,387
Additions : Transfer from Profit and Loss Account		
Transfer of depreciation on revaluation	5,391	5,843
Deferred provision for fraud accounts	(1,07,897)	-
Sub total	8,09,724	9,12,230

(₹ in '000)

	As at March 31, 2023	As at March 31, 2022
b) Investment Fluctuation Reserve		
Opening Balance	2,50,390	1,78,960
Additions during the year	-	71,430
Sub total	2,50,390	2,50,390
c) Investment Reserve		
Opening Balance	1,57,386	98,141
Additions during the year	-	59,245
Sub total	1,57,386	1,57,386
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
Total (a+b+c+d)	12,77,357	13,79,863
V BALANCE IN PROFIT AND LOSS ACCOUNT	(78,87,965)	(82,57,840)
Grand Total	70,81,385	64,69,906

SCHEDULE 3 - DEPOSITS

A I. Demand Deposits		
(i) From Banks	60,108	10
(ii) From Others	75,82,117	72,47,665
	76,42,225	72,47,675
II. Savings Bank Deposits	3,49,54,159	3,52,75,706
III. Term Deposits		
(i) From Banks	70,000	-
(ii) From Others	9,08,50,109	8,15,05,518
	9,09,20,109	8,15,05,518
Total	13,35,16,493	12,40,28,899
B I. Deposits of Branches in India	13,35,16,493	12,40,28,899
II. Deposits of Branches outside India	-	-
Total	13,35,16,493	12,40,28,899

SCHEDULE 4 - BORROWINGS

I. Borrowings in India		
(i) Reserve Bank of India	-	-
(ii) Other Banks	-	-
(iii) Other Institutions and Agencies*	34,23,785	-
(iv) Capital Instruments		
(a) Upper Tier II bonds	-	-
(b) Lower Tier II bonds	15,00,000	15,00,000
Total	49,23,785	15,00,000
II. Borrowings Outside India	-	-
	-	-
Total	49,23,785	15,00,000
*Secured borrowings under Triparty repo, market repurchase with financial institutions included above	34,23,785	-

(₹ in '000)

	As at March 31, 2023	As at March 31, 2022
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS		
I. Bills Payable	2,70,374	3,20,987
II. Inter Office Adjustments (Net)		-
III. Interest accrued	2,78,684	2,43,061
IV. Others (including Provisions)*	27,20,483	28,64,662
*Includes prudential provision for standard assets of ₹5,89,462 thousands (Previous Year ₹6,02,369 thousands)		
Total	32,69,541	34,28,710

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash on Hand (including foreign currency notes)	10,51,031	10,13,603
II. Balances with Reserve Bank of India		
(a) In current accounts	64,12,342	57,70,429
(b) In other accounts	9,00,000	3,00,000
Total	73,12,342	60,70,429
Total	83,63,373	70,84,032

SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE		
I. In India		
(i) Balances with Banks :		
(a) In current accounts	27,601	30,296
(b) In other deposit accounts	-	-
	27,601	30,296
(ii) Money at Call and Short Notice		
(a) With banks	-	-
(b) With other institutions	-	-
Total	27,601	30,296
II. Outside India		
(i) In current account	75,295	2,44,079
(ii) In other deposit accounts	-	-
(iii) Money at Call and Short Notice	-	-
Total	75,295	2,44,079
Grand Total (I and II)	1,02,896	2,74,375

SCHEDULE 8 - INVESTMENTS		
A. Investments in India in		
(i) Government Securities	3,31,65,185	3,37,62,823
(ii) Other Approved Securities	-	-
(iii) Shares	1,99,812	1,34,719
(iv) Debentures and Bonds	55,08,153	58,25,897
(v) Subsidiaries and/or Joint Ventures	-	-
(vi) Others @	13,277	7,17,143
Total	3,88,86,427	4,04,40,582

(₹ in '000)

	As at March 31, 2023	As at March 31, 2022
B. Investments outside India	-	-
Grand Total (A + B)	3,88,86,427	4,04,40,582
C. (i) Gross Value of Investments		
(a) In India	4,03,66,231	4,15,54,621
(b) Outside India	-	-
Total	4,03,66,231	4,15,54,621
(ii) Provision for Depreciation		
(a) In India	14,79,804	11,14,039
(b) Outside India	-	-
Total	14,79,804	11,14,039
(iii) Net Value of Investments		
(a) In India	3,88,86,427	4,04,40,582
(b) Outside India	-	-
Total	3,88,86,427	4,04,40,582
@ Comprises of		
Particulars		
Security Receipts	13,277	7,08,429
Certificate of Deposits	-	8,714
	13,277	7,17,143

SCHEDULE 9 - ADVANCES

A.	(i) Bills Purchased and discounted	4,19,086	1,79,678
	(ii) Cash Credits, Overdrafts and Loans repayable on Demand	1,20,33,431	1,38,86,989
	(iii) Term Loans	8,20,62,699	6,73,53,169
	Total	9,45,15,216	8,14,19,836
B.	(i) Secured by Tangible assets (Includes advances against book debts)	9,11,91,704	8,02,14,239
	(ii) Covered by Bank/Govt. Guarantee	-	-
	(iii) Unsecured	33,23,512	12,05,597
	Total	9,45,15,216	8,14,19,836
C. I. ADVANCES IN INDIA			
	(i) Priority sectors	4,80,45,063	3,61,05,722
	(ii) Public Sector	55,49,380	32,91,582
	(iii) Banks	-	-
	(iv) Others	4,09,20,773	4,20,22,532
	Total	9,45,15,216	8,14,19,836
	II. ADVANCES OUTSIDE INDIA	-	-
	Grand Total (C I and C II)	9,45,15,216	8,14,19,836

SCHEDULE 10 - FIXED ASSETS

A Premises			
Gross Block			
As at the beginning of the year	19,96,905	19,86,922	
Additions during the year due to revaluation of Premises	2,25,750	-	
Additions/Adjustments during the year	1,232	9,983	
Deductions during the year	-	-	
At the end of the year	22,23,887	19,96,905	

(₹ in '000)

	As at March 31, 2023	As at March 31, 2022
Depreciation		
As at the beginning of the year	3,69,756	3,59,329
Charge for the year	10,425	10,427
Deductions during the year	-	-
Depreciation to date	3,80,181	3,69,756
Net Block	18,43,706	16,27,149
B Other Fixed Assets (includes Furniture and Fixture and Computers)		
Gross Block		
As at the beginning of the year	25,38,561	24,70,729
Additions/Adjustments during the year	2,83,542	1,51,557
Deductions during the year	78,838	83,725
At the end of the year	27,43,265	25,38,561
Depreciation		
As at the beginning of the year	19,55,709	18,49,037
Charge for the year	2,00,649	1,89,744
Deductions during the year	77,975	83,072
Depreciation to date	20,78,383	19,55,709
Net Block	6,64,882	5,82,852
C Capital Work In progress	67,153	-
Total (A+B+C)	25,75,741	22,10,001

SCHEDULE 11 - OTHER ASSETS

I. Inter Office Adjustments (Net)	5,894	6,128
II. Interest Accrued	18,37,920	17,32,631
III. Tax paid in advance and Tax Deducted at Source (net of provisions)	5,14,313	5,03,201
IV. Deferred Tax Asset	6,91,194	5,01,333
V. Stationery and stamps	5,392	5,152
VI. Non-Banking Assets acquired in satisfaction of claims	11,228	26,391
VII. Others*	38,11,731	37,53,974
Total	68,77,672	65,28,810

*Includes deposits placed with NABARD, SIDBI, NHB and Mudra amounting to ₹25,53,645 thousands (Previous year ₹26,47,275 thousands)

SCHEDULE 12 - CONTINGENT LIABILITIES

I. Claims against the bank not acknowledged as debts	3,84,796	3,83,411
II. Liabilities on account of outstanding forward exchange contracts	12,80,314	12,00,069
III. Guarantees given on behalf of constituents in India	39,03,799	25,61,254
IV. Acceptance endorsements and other obligations	49,780	1,08,571
V. Liability on account of interest rate swaps		
VI. Other items for which Bank is contingently liable	10,63,149	9,02,451
i) Amount transferred to DEAF	7,91,954	6,75,060
ii) Disputed Tax Liability	2,17,362	1,33,791
iii) Estimated amount of contracts remaining to be executed on capital account and not provided for	53,833	93,600
Total	66,81,838	51,55,756

(₹ in '000)

	Year ended March 31, 2023	Year ended March 31, 2022
SCHEDULE 13 - INTEREST EARNED		
I. Interest/Discount on Advances/bills	82,54,236	65,01,232
II. Income on Investments	23,51,049	24,56,311
III. Interest on balance with Reserve Bank of India and other inter Bank funds	25,228	1,14,289
IV. Others	81,858	94,543
Total	1,07,12,371	91,66,375

SCHEDULE 14 - OTHER INCOME		
I. Commission, Exchange and Brokerage	63,898	50,336
II. Profit/(Loss) on sale of Investments (Net)	(23,550)	1,19,741
III. Profit/ (Loss) on revaluation of Investments	(4,00,772)	6,73,524
IV. Profit/(Loss) on sale of land, building and other Assets (Net)	7,669	2,157
V. Profit/(Loss) on exchange transactions (Net)	26,207	24,761
VI. Income from Insurance	1,54,188	1,10,987
VII. Miscellaneous Income*	9,17,530	7,09,675
Total	7,45,170	16,91,181
<i>*Includes</i>		
<i>Processing Charges</i>	<i>1,78,787</i>	<i>1,43,856</i>
<i>Amount written off since recovered</i>	<i>1,39,416</i>	<i>64,702</i>
<i>Income from ATM</i>	<i>1,14,684</i>	<i>1,00,127</i>

SCHEDULE 15 - INTEREST EXPENDED		
I. Interest on Deposits	56,81,576	53,47,834
II. Interest on Reserve Bank of India/Inter bank borrowings	1,08,262	30,408
III. Others	1,65,000	1,65,000
Total	59,54,838	55,43,242

SCHEDULE 16 - OPERATING EXPENSES		
I. Payments to and Provisions for Employees	24,72,537	23,46,069
II. Rent, Taxes and Lighting	4,68,393	4,54,645
III. Printing and Stationery	24,436	17,372
IV. Advertisement and Publicity	9,537	3,380
V. Depreciation to Bank's property	2,11,074	2,00,171
VI. Directors Fees, Allowances and Expenses	6,979	4,643
VII. Auditors' Fees and Expenses (including Branch Auditors)	11,216	10,564
VIII. Law charges	28,524	25,947
IX. Postages, Telegrams, Telephones etc.	53,241	55,151
X. Repairs and Maintenance	2,34,824	2,43,358
XI. Insurance	1,93,467	1,74,627
XII. Other Expenditure#	5,56,438	4,35,401
Total	42,70,666	39,71,328

Includes expenditure on Corporate Social Responsibility ₹8,386 thousands (Previous Year ₹6,692 thousands)

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS, MARCH 31, 2023
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. 58% 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 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.
- Interest/discount/other charges income from loans and advances, investments (including deposits placed with banks and other institutions) are recognized over the period of the loans and advances, Investments, Deposits etc. on accrual basis. However, 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.
- The recoveries made from NPAs is usually apportioned in the order of suspended outgoings, penal interest, normal interest and principal. But in the case of recoveries out of OTS, the apportionment is first made to principal amount and there after to charges and interest.
- Overdue Interest on Investments and Bills discounted are accounted on realization.
- Profit or Loss on sale of Investment is recognized in the Profit and Loss Account. However, an amount equal to the profit on sale of investments in the Held to Maturity (HTM) category is appropriated to Capital Reserve Account, net of applicable taxes.
- Profit or loss on revaluation of investments as well as provision for depreciation (or reversal of excess depreciation) is recognized in the Profit and Loss Account.
- Income (other than interest) on investments in the "Held to Maturity (HTM)" category acquired at a Discount to Face Value, is recognized as follows:
 - i) On interest bearing securities, it is recognized only at the time of sale/redemption.
 - ii) On Zero coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.
- Commission on ATM interchange fees are recognized as they accrue.
- Upfront fees on restructured accounts are apportioned over the restructured period.
- 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".
- Dividend on investments in shares and units of mutual funds are accounted on accrual basis when the bank's right to receive the dividend is established.
- Insurance claims, Interest on Income Tax refund, Commission from Distribution of Mutual Fund products and Commission from Depository services are accounted on receipt basis.
- Locker Rent is accounted on receipt basis without spreading it over the remaining lease period.
- 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.
- Commission on distribution of Insurance products is accounted on accrual basis.
- 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.

- 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.
- In compromise settlement cases, sacrifice on settlement is accounted upfront.

II. Expenses recognition

A) Interest Expenses

All interest expenses relating to deposits accepted and borrowings are recognized on accrual basis. Interest on unclaimed matured deposits is provided for as per RBI directives.

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. 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) Expenditure on account of enhancement in family pension of employees

The expenditure on account of enhancement of family pension, is not fully charged to profit and loss account and amortized over a period of 5 years, subject to a minimum of 1/5th of the total amount involved being expensed every year. This is as per the RBI Circular DOR.ACC.REC.57/21.04.018/2021-22 dtd. October 4, 2021 and will be applicable up to March 31, 2026.

d) New Pension Scheme (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.

e) 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 year 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.

f) Compensation for absence on Privilege/Sick/Casual Leave

The employees of the Bank are entitled to compensated absence on account of privilege/sick/casual 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.

g) 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.

h) Employee Stock Compensation Cost

Measurement of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments issued by Institute of Chartered Accountants of India (ICAI) and SEBI (Share Based Employee Benefits) Regulations, 2014. The Bank measures compensation cost relating to employee stock options using the intrinsic value method. Compensation cost is measured by the excess, if any, of the fair market price of the underlying stock (i.e., the last closing price on the stock exchange on the day preceding the date of grant of stock options) over the exercise price. If the exercise price of the Bank's stock option is the last closing price on the stock exchange on the day preceding the date of grant of stock options and accordingly there is no compensation cost under the intrinsic value method.

i) Compensation of Whole time Directors/Chief Executive officers

As per the guidelines of RBI, the joining/sign-on bonus should be in the form of share-linked instruments only. Such bonus will neither be considered part of fixed pay nor part of variable pay. Subject to regulatory compliance, bank can allot shares at face value with a lock in period of 1 year from the date of grant as guaranteed bonus.

The variable pay can be in the form of share-linked instruments, or a mix of cash and share-linked instruments. Variable compensation is fixed based on organizational performance. Organization's performance is charted based on performance score card which takes into account various indicators such as business growth, Asset quality, Return on Assets, Reduction in Cost to Income Ratio, Return on Investment and Divergence in provisioning & asset classification. Share-linked instruments should be fair valued on the date of grant by the bank using Black-Scholes model. The fair value thus arrived at should be recognized as an expense beginning with the accounting period for which approval has been granted.

C) 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 new rent agreement is signed.

III. Net profit

Net Profit is arrived at after provisions for contingencies, which include Provision for:

- i) Standard Assets, Restructured Advances and Non-Performing Advances and Investments.
- ii) Fraud and unhedged foreign currency exposure.
- iii) Taxation in accordance with statutory requirements.

IV. Advances

A) Valuation/M 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 Non-Performing Advances 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. Provisions for NPAs are made at the minimum required level as per the guidelines of the RBI on matters relating to prudential norms.
- b) Amounts recovered against debts written off are recognized in the profit and loss account and included under "Other Income".
- 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.
- 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 – direct advances to Sectors agricultural, Individual housing loans and SME at 0.25%, Commercial Real Estate at 1%, restructured advances at 5%, teaser rate housing loans at 2%, commercial real estate residential housing at 0.75% and for other sectors at 0.40%.
- f) Loss on sale of assets to Asset Reconstruction Companies: The 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, lenders shall reverse the excess provision on transfer 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 (SR)/Pass Through Certificates (PTCs)/ 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.
- g) In respect of non-performing assets acquired from other banks/FIs and NBFCs, collections in excess of the consideration paid at each asset level or portfolio level is treated as income in accordance with RBI guidelines and clarifications.

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 has a policy for creation and utilization of floating provisions separately for advances, investments and general purposes. The quantum of floating provisions to be created is assessed at the end of the financial year. 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 ("ECGC") 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

- (a) In accordance with the RBI guidelines, investments are categorized into "Held for Trading" (HFT), "Available for Sale" (AFS) and "Held to Maturity" (HTM) and are further classified under six groups;
- Government Securities,
 - Other Approved Securities,
 - Shares,
 - Debentures and Bonds,
 - Subsidiaries/Joint Ventures and
 - Other investments for the purposes of disclosure in the Balance Sheet.
- (b) Investments which are Held for sale within 90 days from the date of purchase are classified as "Held for Trading" (HFT). As per RBI guidelines, HFT Securities which remain unsold for a period of 90 days are classified as AFS Securities on that date.
- (c) Investments which the bank intends to hold till maturity are classified as "Held to Maturity".
- (d) Investments which are not classified in either of the above two categories are classified as "Available for Sale".

ii. Valuation

The valuation of investments is made in accordance with the RBI Guidelines:

- Held for Trading/Available for Sale (HFT/AFS): Investments classified under the AFS and HFT categories are marked-to-market. The market/fair value of quoted investments included in the 'AFS' and 'HFT' categories is measured with respect to the Market Price of the Scrip as available from the trades/quotes on the stock exchanges, SGL account transactions, pricelist of RBI or prices declared by Primary Dealers Association of India ('PDAI') jointly with Fixed Income Money Market and Derivative Associations of India ('FIMMDA'), periodically. Net depreciation, if any, within each category of investment classification is recognized in Profit and Loss Account. The net appreciation, if any, under each category of investment is ignored. Except in cases where provision for diminution other than temporary is created, the Book value of individual securities is not changed consequent to the periodic valuation of Investments.
- Held to Maturity (HTM): These are carried at their acquisition cost. Any premium on acquisition of debt instruments is amortized over the remaining maturity of the security. Any diminution, other than temporary, in the value of such securities is provided for each investment individually.
- Treasury Bills, Commercial Papers and Certificate of Deposits being discounted instruments are valued at carrying cost.
- Units of Mutual Funds are valued at the latest repurchase price/net asset value declared by Mutual Fund.
- Market value of investments where current quotations are not available, is determined as per the norms prescribed by the RBI as under:
 - in case of unquoted bonds, debentures and preference shares where interest/dividend is received regularly (i.e., not overdue beyond 90 days), the market price is derived based on the Yield to Maturity (YTM) for Government Securities as published by FIMMDA/PDAI and suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk mark-up for each category and credit ratings along with residual maturity issued by FIMMDA are adopted for this purpose;
 - in case of bonds and debentures (including Pass Through Certificates or PTCs) where interest is not received regularly (i.e., overdue beyond 90 days), the valuation is in accordance with prudential norms for provisioning as prescribed by RBI;
 - equity shares, for which current quotations are not available or where the shares are not quoted on the stock exchanges, are valued at breakup value (without considering revaluation reserves, if any) which is ascertained from the company's latest Balance Sheet. In case the latest Balance Sheet is not available, the shares are valued at ₹1/- per company;
 - investment in security receipts is valued as per the Net Asset Value (NAV) obtained from the issuing Reconstruction Company/Securitization Company;
 - non-Performing Investments are identified and valued based on RBI guidelines.

iii. 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.

iv. 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.

v. Non-Performing Investments

In respect of securities included in any of the three categories of investments where interest/principal is in arrears, for more than 90 days, income is not recognized and appropriate provision for the depreciation in the value of the investments is made, as per prudential norms applicable to non-performing advances. Debentures/Bonds in the nature of advances are subjected to usual prudential norms applicable to advances.

vi. Transfer Between Categories

Classification of investments under Held to Maturity (HTM), Held for Trading (HFT) and Available for Sale (AFS) is done at the time of purchase and subsequent shifting amongst categories is done in conformity with the regulatory guidelines. Transfer between categories is done at the lower of the acquisition cost/book value/market value on the date of the transfer and the depreciation, if any, on such transfer is fully provided for. Transfer of securities from/to Held to Maturity category is done as per guidelines issued by RBI from time to time.

vii. Acquisition Cost

In determining the acquisition cost of the Investment:

- Transaction costs including brokerage and commission pertaining to acquisition of Investments are charged to the Profit and Loss Account.
- Broken period interest is charged to the Profit and Loss Account.
- Cost of investments is computed based on the weighted average cost method.

viii. Disposal of Investments

- Held for Trading and Available for Sale – Profit or loss on sale/redemption is recognized in the Profit and Loss account.
- Held to Maturity - Profit or Loss on Sale/Redemption of Investments is recognized in the Profit and Loss account. In case of Profits, the same is appropriated to Capital Reserve, after adjustments for tax and transfer to statutory reserve.

VIII. Fixed Assets (Land, Premises, Property, Plant & Equipment and intangibles) and depreciation/amortization

- An item of fixed asset that qualify for recognition as an asset are initially recognized and measured at cost.
- After initial recognition, the Bank chooses 'Cost Model' or 'Revaluation Model' for subsequent measurement as its accounting policy and applies that policy to entire class of fixed asset.
- Property, Plant and Equipment (other than land and premises) following 'Cost Model' are carried at Cost less any accumulated depreciation/amortization and any accumulated impairment losses.
- 'Revaluation Model' is followed for land and premises and 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 are done with sufficient regularity 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 an asset 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 an asset is transferred to "Revenue Reserves" when the asset is retired or disposed off. 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 asset includes a) purchase price, including import duties and non-refundable purchase taxes,

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 property, plant and equipment, 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) 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'.

- Depreciation on fixed assets is charged based on the estimated useful life of the asset on straight-line basis in compliance with the Schedule II of the Companies Act, 2013. Depreciable amount of an asset is allocated on a systematic basis over the useful life of the asset.
- Residual value and useful life of the asset is reviewed at least at each financial year end, and if expectations differ from previous estimates, 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".
- Impairment of an item of property, plant and equipment is determined by applying the Accounting Standard 28. Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is included in the statement of profit and loss when the compensation becomes receivable.
- 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 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 advances paid to acquire fixed assets.

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).

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 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) 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 the closing spot rate. The premium or discount arising at the inception of such contracts is amortized as expense or income over the life of the contract.
7. 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.
8. 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.

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 is 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 is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end.

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.

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, 1961. 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 company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Bank does not recognize a contingent liability but discloses its existence in the financial statements.

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.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

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

XX. Corporate Social Responsibility

Spends towards corporate social responsibility, in accordance with Companies Act, 2013 are recognized in the Profit and Loss Account.

XXI. Cash Flow

Cash flow statement has been prepared under the indirect method.

SCHEDULE 18 - NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2023**1. DISCLOSURE REQUIREMENTS AS PER RBI'S MASTER DIRECTION ON FINANCIAL STATEMENTS – PRESENTATION AND DISCLOSURES**

Amounts in notes forming part of the financial statements for the year ended March 31, 2023 are denominated in Rupees Crore to conform to extant RBI guidelines except, where stated otherwise.

1. CAPITAL**1.1 Capital Infusion**

During the year ended March, 31, 2023 there was no infusion of capital.

Paid-up Capital

(₹ in Crore)

Particulars	March 31, 2023	March 31, 2022
Opening Balance	253.01	253.01
Addition during the year	Nil	Nil
Closing Balance	253.01	253.01

Share Premium

(₹ in Crore)

Particulars	March 31, 2023	March 31, 2022
Opening Balance	1005.45	1005.45
Addition during the year	Nil	Nil
Closing Balance	1005.45	1005.45

Tier II Capital

During the year ended March 31, 2023, the Bank has lower Tier II Bonds (ISIN-INE680A09022) of ₹150.00 crore.

(₹ in Crore)

Particulars	March 31, 2023	March 31, 2022
Opening Balance as on April 1 st	150.00	150.00
Redemption of Bonds	Nil	Nil
Closing Balance as on March 31 st	150.00	150.00

Regulatory Capital

The Bank is subject to the Basel III Capital Regulations stipulated by Reserve Bank of India (RBI) effective from April 1, 2013. Transition to the Basel III Capital Regulations was in a phased manner. Bank has to comply with the regulatory limits and minima as prescribed under Basel III capital regulations, on an ongoing basis.

As per the Reserve Bank of India (RBI) guidelines, the total regulatory capital consists of sum of the following;

- 1) Tier 1 Capital (Going Concern Capital*)
 - a. Common Equity Tier 1(CET-1)
 - b. Additional Tier 1
- 2) Tier-2 Capital (Gone Concern Capital**)
 - * From Regulatory perspective, Going Concern Capital is the Capital, which can absorb losses without triggering bankruptcy of the Bank.
 - ** From Regulatory perspective, Gone Concern Capital is the Capital, which will absorb losses only in a situation of liquidation of the Bank.

The Minimum Capital Requirement under Basel III is as follows:

Sl. No.	Regulatory Capital	As a % to Risk Weighted Assets (RWAs)
(i)	Minimum Common Equity Tier 1 (CET-1)	5.5
(ii)	Capital Conservation Buffer (CCB)	2.5
(iii)	Minimum Common Equity Tier 1 (CET-1) + Capital Conservation Buffer (CCB) [(i)+(ii)]	8.0
(iv)	Additional Tier 1 Capital	1.5
(v)	Minimum Tier 1 Capital [(i) + (iv)]	7.0
(vi)	Tier 2 Capital	2.0
(vii)	Minimum Total Capital Ratio [(v)+(vi)]	9.0
(viii)	Minimum Total Capital Ratio + Capital Conservation Buffer (CCB) [(vii) + (ii)]	11.5

Basel III guidelines require the Bank to maintain a minimum capital to risk weighted assets ratio (CRAR) of 9% with minimum CET-1 CRAR of 5.5%, Minimum Tier 1 CRAR of 7% and Capital Conservation Buffer (CCB) of 2.5%.

a) Composition of Regulatory Capital

The following table sets forth, for the period indicated, computation of capital adequacy as per Basel III framework:

(₹ in Crore)

Sr. No.	Items	March 31, 2023	March 31, 2022
(i)	Common Equity Tier 1 capital (CET 1) (net of deductions, if any)	756.83	697.98
(ii)	Additional Tier 1 capital	-	-
(iii)	Tier 1 capital (i + ii)	756.83	697.98
(iv)	Tier 2 capital	127.01	180.78
(v)	Total capital (Tier 1 + Tier 2)	883.85	878.76
(vi)	Total Risk Weighted Assets (RWAs)	7173.79	6770.12
(vii)	CET 1 Ratio (CET 1 as a percentage of RWAs)	10.55%	10.31%
(viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	10.55%	10.31%
(ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	1.77%	2.67%
(x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	12.32%	12.98%
(xi)	Leverage Ratio	4.87%	4.96%
(xii)	Percentage of the shareholding of a) Government of India	-	-
(xiii)	Amount of paid-up equity capital raised during the year	-	-
(xiv)	Amount of non-equity Tier 1 capital raised during the year, of which: a) Basel III compliant Perpetual Non-Cumulative Preference Shares (PNCPS) b) Basel III compliant Perpetual Debt Instruments (PD)	- -	- -
(xv)	Amount of Tier 2 capital raised during the year, of which a) Basel III compliant Debt Capital Instrument b) Basel III compliant Preference Share Capital Instruments	- -	- -

b) Draw down from reserves

The draw down from the reserves for the year ended March 31, 2023 are as follows:

- 1) The Bank has made a drawdown from its revenue reserves amounting to ₹10.79 crore (Previous year Nil) being the remaining unprovided amount of one fraud account as permitted by the RBI Circular DBR No.BPBC.92/21.04.048/2015-16 dated April 18, 2016.
- 2) Draw down of ₹0.54 crore (previous year ₹0.58 crore) from revaluation reserves was made and credited to revenue reserves, being depreciation on the revalued assets.

1.2 ASSET LIABILITY MANAGEMENT

a) Maturity pattern of Assets and Liabilities

Disclosure format of maturity pattern has been revised by RBI vide circular DBR.BPBC.No. 86/21.04.098/2015-16 dated March 23, 2016. In compiling the information of maturity pattern, estimates and assumptions have been made by the management and have been relied upon by the auditors.

i) Maturity Pattern of certain assets and liabilities as at March 31, 2023:

(₹ in Crore)

Particulars	Day 1	2 to 7 Days	8 to 14 Days	15 to 30 Days	31 days up to 2 months	Over 2 months up to 3 months	Over 3 months and upto 6 months	Over 6 months and up to 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Deposits	56.08	226.62	342.85	665.80	651.97	415.56	1460.92	2849.57	6347.01	263.56	71.71	13351.65
Advances (Net)	223.47	43.28	89.78	386.45	492.60	557.83	1,264.09	1,777.64	1,788.63	1,153.31	1,674.43	9,451.52
Investments (Gross)					15.02	65.17	22.66	226.80	1564.90	1332.11	809.97	4036.62
Borrowings		342.38							150.00			492.38
Foreign currency Assets	35.39	3.08	0.42	4.20	8.40	23.29	11.87	75.88	-	-		162.54
Foreign currency Liabilities	22.61	6.17		5.13	6.83	4.71	7.78	51.33	14.47	24.82	0.04	143.89

ii) Maturity Pattern of certain assets and liabilities as at March 31, 2022:

(₹ 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 years and upto 5 years	Over 5 years	Total
Deposits	77.44	251.54	232.27	492.10	558.58	457.01	1,705.83	3,324.01	4,909.83	316.91	77.38	12,402.89
Advances (Net)	388.29	21.83	35.03	293.91	298.27	534.36	1,229.83	1,472.33	1,594.30	1,005.63	1,268.22	8,141.98
Investments (Gross)	-	-	-	-	-	-	24.17	250.26	422.20	1,938.79	1,520.05	4,155.46
Borrowings	-	-	-	-	-	-	-	-	150.00	-	-	150.00
Foreign currency Assets	64.24	29.30	0.19	23.21	5.95	-	10.93	29.16	-	-		162.98
Foreign currency Liabilities	24.32	14.48	0.04	12.23	4.81	3.52	7.88	49.70	20.59	1.35		138.92

b) Liquidity Coverage Ratio (LCR)

i) Quantitative Disclosure

Below mentioned is a position of Liquidity Coverage Ratio computed based on Simple Average of daily observations of the 4 quarters for the year ended March 31, 2023.

(₹ in Crore)

		Quarter ended 30.06.22		Quarter ended 30.09.22		Quarter ended 31.12.22		Quarter ended 31.03.23	
		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)		3602.64		3580.01		3565.71		3539.41
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which:	7828.74	448.49	7817.80	444.91	7788.92	441.96	7819.35	445.97
	i) Stable Deposits	6687.61	334.38	6737.37	336.87	6738.65	336.93	6719.33	335.97
	ii) Less stable deposits	1141.13	114.11	1080.43	108.04	1050.27	105.03	1100.02	110.00
3	Unsecured wholesale funding, of which:	1376.52	319.91	1615.64	506.56	1913.44	738.31	1924.66	667.99
	i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
	ii) Non-operational deposits (all counterparties)	1376.52	319.91	1615.64	506.56	1913.44	738.31	1924.66	667.99
	iii) Unsecured debt	-	-	-	-	-	-	-	-
4	Secured wholesale funding		177.73		283.86		203.49		63.47
5	Additional requirements, of which	-	-	-	-	-	-	-	-
	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	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	413.43	74.19	545.02	117.50	546.44	105.99	489.54	103.71
7	Other contingent funding obligations	289.20	8.68	329.64	9.89	342.60	10.28	393.33	11.80
8	Total Cash Outflows		1029.00		1362.72		1500.03		1292.94
Cash Inflows									
9	Secured lending (e.g. reverse repos)	12.82	12.82	14.78	14.78	9.04	22.52	20.12	17.35
10	Inflows from fully performing exposures	-	-	-	-	-	-	-	-
11	Other cash inflows	-	-	-	-	-	-	-	-
12	Total Cash Inflows	12.82	12.82	14.78	14.78	9.04	22.52	20.12	17.35
			Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
13	Total HQLA		3602.64		3580.01		3565.71		3539.41
14	Total Net Cash Outflows		1016.18		1347.94		1477.51		1275.60
15	Liquidity Coverage Ratio (%)		354.53%		265.59%		241.33%		277.47%

Below mentioned is a position of Liquidity Coverage Ratio computed based on Simple Average of daily observations of the 4 quarters for the year ended March 31, 2022.

		Quarter ended 30.06.21		Quarter ended 30.09.21		Quarter ended 31.12.21		Quarter ended 31.03.22	
		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)		4092.54		4281.71		4276.22		3703.19
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which:	7666.52	436.68	7720.72	439.75	7758.13	442.93	7796.16	445.28
	i) Stable Deposits	6599.49	329.97	6646.39	332.32	6657.64	332.88	6686.75	334.34
	ii) Less stable deposits	1067.03	106.70	1074.33	107.43	1100.50	110.05	1109.41	110.94
3	Unsecured wholesale funding, of which:	1284.03	332.28	1363.94	378.53	1438.64	443.54	1391.70	355.00
	i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
	ii) Non-operational deposits (all counterparties)	1284.03	332.28	1363.94	378.53	1438.64	443.54	1391.70	355.00
	iii) Unsecured debt	-	-	-	-	-	-	-	-
4	Secured wholesale funding								25.36
5	Additional requirements, of which	-	-	-	-	-	-	-	-
	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	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	430.72	57.49	395.31	55.57	396.66	56.15	390.60	56.93
7	Other contingent funding obligations	198.13	5.94	202.68	6.08	218.51	6.56	243.82	7.31
8	Total Cash Outflows		832.39		879.93		949.18		889.88
Cash Inflows									
9	Secured lending (e.g. reverse repos)	454.77	454.77	489.00	489.00	220.81	220.81	112.70	112.70
10	Inflows from fully performing exposures	-	-	-	-	-	-	-	-
11	Other cash inflows	-	-	-	-	-	-	-	-
12	Total Cash Inflows	-	-	-	-	-	-	-	-
			Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
13	Total HQLA		4092.54		4281.71		4276.22		3703.19
14	Total Net Cash Outflows		377.62		390.94		728.36		777.19
15	Liquidity Coverage Ratio (%)		1083.77%		1095.25%		587.10%		476.49%

ii) Qualitative Disclosure

The Bank measures and monitors the LCR in line with the Reserve Bank of India’s circular dated June 09, 2014 on “Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards” as amended for “Prudential Guidelines on Capital Adequacy and Liquidity Standards” dated March 31, 2015. 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 High Quality Liquid Assets 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, 2023 is 277.47% (Quarter ended March 31, 2022: 476.49%), 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 Dhanlaxmi Bank at March 31, 2023 (i.e., quarter-end observation). (₹ in Crore)

Net Stable Funding Ratio – March 31, 2023						
(₹ in Crore)		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	
ASF Items						
1	Capital: (2+3)	828.58	0.00	0.00	150.00	978.58
2	Regulatory capital	828.58	0.00	0.00	30.00	858.58
3	Other capital instruments	0.00	0.00	0.00	120.00	120.00
4	Retail deposits and deposits from small business customers: (5+6)	4066.87	1998.34	1734.84	2528.80	9636.54
5	Stable deposits	833.65	518.70	401.72	558.56	2224.93
6	Less stable deposits	3233.22	1479.64	1333.12	1970.24	7411.61
7	Wholesale funding: (8+9)	192.77	1388.04	708.29	733.71	825.95
8	Operational deposits					
9	Other wholesale funding	192.77	1388.04	708.29	733.71	825.95
10	Other liabilities: (11+12)	801.90	0.00	0.00	0.00	0.00
11	NSFR derivative liabilities					
12	All other liabilities and equity not included in the above categories	801.90	0.00	0.00	0.00	0.00
13	Total ASF (1+4+7+10)					11441.07
RSF Items						
14	Total NSFR high quality liquid assets (HQLA)					204.51

Net Stable Funding Ratio – March 31, 2023						
(₹ in Crore)		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	
15	Deposits held at other financial institutions for operational purposes	2.76	0.00	0.00	0.00	1.38
16	Performing loans and securities: (17+18+19+20+21+23)	0.00	2961.02	1753.78	3612.86	5145.72
17	Performing loans to financial institutions secured by Level 1 HQLA	0.00	0.00	0.00	0.00	0.00
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0.00	263.24	275.73	0.00	177.35
19	Performing loans to nonfinancial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs of which	0.00	2697.78	1478.05	2526.06	4192.72
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	0.00	0.00	211.71	137.61
21	Performing residential mortgages, of which:	0.00	0.00	0.00	740.66	481.43
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk				740.66	481.43
23	Securities that are not in default and do not qualify as HQLA, including exchange traded equities	0.00	0.00	0.00	346.14	294.22
24	Other assets: (sum of rows 25 to 29)	0.00	0.00	0.00	2375.91	2375.91
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	0.00	0.00	0.00	2375.91	2375.91
30	Off-balance sheet items	0.00	0.00	0.00	910.79	37.63
31	Total RSF (14+15+16+24+30)	839.09	3041.87	2144.46	10017.50	7765.15
32	Net Stable Funding Ratio (%)	-	-	-	-	147.34%

Bank has complied with the regulatory requirements w.r.t. NSFR.

The NSFR calculation at December 31, 2022 (i.e., quarter end observation) is shown below:

(₹ in Crore)

Net Stable Funding Ratio – December 31, 2022						
(₹ in Crore)		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	
ASF Items						
1	Capital: (2+3)	783.51	0	0	150.00	933.51
2	Regulatory capital	783.51			60	843.51
3	Other capital instruments				90	90
4	Retail deposits and deposits from small business customers: (5+6)	3956.31	2145.58	1742.56	2168.95	9265.65
5	Stable deposits	311.66	249.30	173.26	188.26	885.77
6	Less stable deposits	3644.65	1896.27	1569.30	1980.69	8379.88
7	Wholesale funding: (8+9)	246.51	1156.43	1332.48	140.70	806.94
8	Operational deposits					

Net Stable Funding Ratio – December 31, 2022						
(₹ in Crore)		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	
9	Other wholesale funding	246.51	1156.43	1332.48	140.70	806.94
10	Other liabilities: (11+12)	768.46	0	0	0	0
11	NSFR derivative liabilities					
12	All other liabilities and equity not included in the above categories	768.46			0	0
13	Total ASF (1+4+7+10)	5754.79	3302	3075.03	2459.65	11006.11
RSF Items						
14	Total NSFR high quality liquid assets (HQLA)	693.04	79.88	363.78	3025.11	195.72
15	Deposits held at other financial institutions for operational purposes	15.66				7.83
16	Performing loans and securities: (17+18+19+21+23)		2542.06	1533.07	4659.19	5865.66
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		219.61	257.83		161.86
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:		2322.45	1275.24	3551.68	4915.11
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk				205.34	133.47
21	Performing residential mortgages, of which:				763.43	496.23
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk				621.92	404.25
23	Securities that are not in default and do not qualify as HQLA, including exchange traded equities				344.08	292.47
24	Other assets: (sum of rows 25 to 29)				1679.69	1679.69
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				1679.69	1679.69
30	Off-balance sheet items				875.18	36.15
31	Total RSF (14+15+16+24+30)	708.70	2621.94	1896.85	10239.17	7785.04
32	Net Stable Funding Ratio (%)					141.38%

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 2023.

NSFR Calculation Methodology	RBI prescribed minimum NSFR	Bank's NSFR for the Quarter ended March 31, 2023
NSFR = (Available amount of Stable funding)/(Required amount of Stable funding)	100%	147.34%

3 INVESTMENTS

a) Composition of Investment Portfolio

i) As at 31st March 2023

(₹ in Crore)

Particulars	Investments in India						Total investments in India
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	
Held to Maturity							
Gross	2651.00	-	-	-	-	-	2651.00
Less: Provision for Non-Performing Investments (NPI)	-	-	-	-	-	-	-
Net	2651.00	-	-	-	-	-	2651.00
Available for Sale							
Gross	688.13	-	37.11	602.68	-	57.71	1385.63
Less: Provision for depreciation and NPI	22.61	-	17.12	51.87	-	56.38	147.98
Net	665.52	-	19.98	550.81	-	1.33	1237.65
Held for Trading							
Gross	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-
Total investments	3339.13	-	37.11	602.68	-	57.71	4036.62
Less: Provision for Non-Performing Investments							
Less: Provision for depreciation and NPI	22.61	-	17.12	51.87	-	56.38	147.98
Net	3316.52	-	19.98	550.81	-	1.33	3888.64

Bank has No Investments outside India

ii) As at 31st March 2022

(₹ in Crore)

Particulars	Investments in India						Total investments in India
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	
Held to Maturity							
Gross	2,600.08	-	-	-	-	-	2,600.08
Less: Provision for Non-Performing Investments (NPI)							-
Net	2,600.08	-	-	-	-	-	2,600.08
Available for Sale							
Gross	785.19	-	34.34	616.81	-	119.03	1,555.38
Less: Provision for depreciation and NPI	8.99	-	20.87	34.22	-	47.32	111.40
Net	776.20	-	13.47	582.59	-	71.71	1,443.98
Held for Trading							
Gross	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-
Total investments	3,385.28	-	34.34	616.81	-	119.03	4,155.46
Less: Provision for Non-Performing Investments							
Less: Provision for depreciation and NPI	8.99	-	20.87	34.22	-	47.32	111.40
Net	3,376.28	-	13.47	582.59	-	71.71	4,044.06

Investments outside India – Nil

b) **Movement of Provisions for Depreciation and Investment Fluctuation Reserve**

₹ in Crore

Particulars	31 st March 2023	31 st March 2022
i) Movement of Provisions held towards depreciation on Investments		
a) Opening Balance	111.40	121.29
b) Add: Provisions made during the year	36.58	-
c) Less: Write Off/write back of excess provisions during the year	-	9.89
d) Closing balance	147.98	111.40
ii) Movement of Investment Fluctuation Reserve		
e) Opening Balance	25.04	17.90
f) Add: amount transferred during the year	-	7.14
g) Less: Drawdown	-	-
h) Closing Balance	25.04	25.04
iii) Closing Balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current Category	2.02	1.73

c) i) **Sale and Transfers to/from HTM Category during FY 2022-23**

During the year ended March 31, 2023, there was no sales and transfer of securities from HTM category. Hence no disclosure is required.

ii) **Sale and Transfers to/from HTM Category during FY 2021-22**

Sl. No.	Particulars	Classification	Book Value ₹ in Cr
1	Shifting from AFS to HTM	G SEC & SDL	127.82
2	Shifting from HTM to AFS	G SEC & SDL	211.70
3	Sale from HTM	G SEC	Nil
4	Sale from HTM	SDL	113.21
Total Sale in regular market attracting 5% cap (3+4)			113.21
Sale in terms of % to 31/03/2021 Position			4.83

During the year ended March 31st, 2022, the aggregate book value of investments sold from Held to Maturity (HTM) category was within the prescribed limit of 5% (4.83% - Total ₹113.21 Crores) of the book value of investments held in HTM category at the beginning of the year (₹2,341.72 Crores) The market value of investments held in HTM category as on 31st March 2023 was ₹2,551.36 crores (Previous year ₹2563.31 Crore) against the book value of ₹2,651.00 crores. (Previous Year ₹2600.08 Crore). The Bank has not provided for excess of book value over market value i.e., ₹99.64 Crores. (Previous Year ₹36.77 Crore)

In accordance with Reserve Bank of India (RBI) guidelines, sale from, and transfer to/from Held to Maturity (HTM) category excludes;

- One-time transfer of securities to/from HTM category permitted to be undertaken by banks at the beginning of the accounting year with the approval of the Board of Directors;
- Direct sales from HTM for bringing down SLR holdings in HTM category consequent to a downward revision in SLR requirements by RBI.
- Sale to the Reserve Bank of India (RBI) under liquidity management Operations of RBI like Open Market Operation (OMO) and the Government Securities Acquisition Programme (GSAP).
- Repurchase of Government securities by Government of India from Banks under buyback/switch operations.
- Repurchase of state Development loans by respective state governments under buyback/switch operations.
- Additional shifting of securities explicitly permitted by the reserve Bank of India.

d) **Non-SLR Investment Portfolio**

i) **Non-Performing Non-SLR Investments**

(₹ in Crore)

Particulars	March 31, 2023	March 31, 2022
Opening balance	93.45	35.99
Additions during the year	-	57.46
Reductions during the year	3.50	-
Closing balance	89.95	93.45
Total provisions held	89.95	93.45

i) a) Issuer wise composition of Non-SLR investments as on March 31, 2023

(₹ in Crore)

Sr. 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	271.28	259.80	-	-	0.10
(ii)	Financial Institutions	240.10	240.10	-	-	-
(iii)	Banks	47.64	47.47	5.00	5.00	5.00
(iv)	Private Corporates	80.77	78.71	26.68	26.68	57.38
(v)	Subsidiaries/Joint Ventures	-	-	-	-	-
(vi)	Others (Security Receipts & PTC)	57.71	57.71	57.71	-	57.71
(vii)	Less: Provision held towards Depreciation & NPI	125.37	-			
	TOTAL	572.13	683.79	89.39	31.68	120.19

Issuer wise composition of Non-SLR investments as on March 31, 2022

(₹ in Crore)

Sr. No.	Issuer	Amount @	Extent of Private Placement#	Extent of 'Below Investment Grade' Securities#	Extent of 'Unrated' Securities #**	Extent of 'Unlisted' Securities#**
(i)	Public Sector Undertakings	270.99	259.90	0.00	0.10	0.10
(ii)	Financial Institutions	264.27	264.27	0.00	0.00	0.00
(iii)	Banks	72.08	71.77	5.00	5.00	5.00
(iv)	Private Corporates	92.00	89.43	28.22	28.22	53.88
(v)	Subsidiaries/Joint Ventures	0.00	0.00	0.00	0.00	0.00
(vi)	Others (Security Receipts & PTC)	70.84	70.84	70.84	0.00	70.84
(vii)	Less: Provision held towards Depreciation & NPI	102.41	-	-	-	-
	TOTAL	667.77	756.21	104.06	33.32	129.82

@ 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.

e) i) Repo Transactions (in Face Value Terms)

(₹ in Crore)

Particulars	Minimum outstanding during the year ended March 31,		Maximum outstanding during the year ended March 31,		Daily Average outstanding during the year ended March 31,		Outstanding as on March 31, 2023	Outstanding as on March 31, 2022
	2023	2022	2023	2022	2023	2022		
Securities sold under repos								
i) Government Securities	8.00	Nil	530.43	139.99	178.95	11.17	342.37	Nil
ii) Corporate Debt Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Securities purchased under reverse repos								
i) Government Securities	19.99	Nil	100.14	90.00	5.57	0.73	Nil	Nil
ii) Corporate Debt Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Note: As per RBI/2018-2019/24 FMRD.DIRD.01/14.03.038/2018-19 dt. July 24, 2018 only Market repo & Market reverse repo Transactions have been taken into Account; Repo/Reverse repo Transactions conducted under Liquidity Adjustment Facility (LAF) with RBI have not been counted.

ii) Outstanding Repo/Reverse Repo Transactions with Reserve Bank of India (RBI) under Liquidity Adjustment Facility (LAF) and Marginal Standing Facility (MSF)

(₹ in Crore)

Particulars	March 31, 2023	March 31, 2022
Repo under Liquidity Adjustment Facility (LAF)/Marginal Standing Facility (MSF)	Nil	Nil
Reverse Repo under Liquidity Adjustment Facility (LAF)/Marginal Standing Facility (MSF)	Nil	30.00

f) Investments kept as Margin (in Face Value Terms)

(₹ in Crore)

Particulars	March 31, 2023	March 31, 2022
Collateralized Borrowing and Lending Obligation (CBLO)	150.17	150.17
Clearing of Securities	35.70	35.70
Forex Forward Segment-Default Fund with Clearing Corporation of India Limited	3.00	3.00
Real Time Gross Settlement System (RTGS)	250.00	250.00
Total	438.87	438.87

g) 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.

(₹ in Crore)

Particulars	March 31, 2023	March 31, 2022
Outstanding TREPS Borrowing	64.96	Nil
Outstanding TREPS Lending	Nil	Nil
Amortized Book Value of Securities given as collateral to Clearing Corporation of India Ltd. (CCIL)	64.49	Nil

h) Details of Book Value of Investments in Security Receipts

(₹ in Crore)

Particulars	March 31, 2023	March 31, 2022
I) Backed by NPAs sold by the bank as underlying	57.71	70.84
II) Backed by NPAs sold by the other banks/Financial Institutions/NBFC as underlying	Nil	Nil
Total	57.71	70.84

i) Capital Reserve

It is the reserve created from Capital profit. Profit on sale of investments in the Held to Maturity category is 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). Amount transferred to Capital Reserve during the year is Nil (Previous year ₹2.89 Crore).

j) Investment Reserve Account (IRA)

When provisions created on account of depreciation in the 'AFS' or 'HFT' categories are found to be in excess of the required amount in any year, the excess shall be credited to the Profit & Loss Account and an equivalent amount (net of taxes, if any and net of transfer to Statutory Reserves as applicable to such excess provision) shall be appropriated to an IRA. During the year, transfer to Investment Reserve Account is NIL (Previous year ₹5.92 Crs).

k) Investment Fluctuation Reserve

Investment fluctuation reserve (IFR) is to be 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 HFT and AFS portfolio, on a continuing basis. During the year, Bank has transferred Nil amount (Previous year ₹7.14 crore) to Investment Fluctuation Reserve Account with a view to building up of adequate reserves to protect against increase in yields in future.

4 ASSET QUALITY

a i) Classification of Advances and provisions held as on March 31, 2023

(₹ in Crore)

Particulars	Standard		Non-Performing			Total
	Total Standard advances	Sub standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	7 910.04	47.51	413.38	2.64	533.54	8 443.58
Add: Additions during the year					100.11	
Less: Reductions during the year					122.50	
Closing Balance	9342.58	46.05	228.08	237.02	511.15	9853.73
Reductions in Gross NPA due to						
i) Upgradation					33.69	
ii) Recoveries (excluding recoveries from upgraded accounts)					84.08	
iii) Technical/Prudential write-off loans					0.00	
iv) Write-off other than those under (iii) above					4.73	
Provisions (Excluding Floating Provisions)						
Opening balance of Provisions held@	60.24	6.90	217.81	71.48	299.17	359.41
Add: Fresh Provisions made during the year					152.33	152.33
Less: Excess provision reversed/Write-off loans					51.71	51.71
Closing Balance of provisions held@	58.95	8.52	152.21	236.08	399.79	458.74
@ Counter Cyclical Provision of ₹2.97Crores is factored in Total NPAs/Total columns under opening/closing balance only.						
Net NPAs						
Opening Balance#		33.01	201.70	1.09	232.16	232.16
Add: Fresh additions during the year					71.27	71.27
Less: reductions during the year					194.23	194.23
Closing Balance#		37.50	75.34	0.00	109.20	109.20
# General provision of ₹3.64 Crore (Counter Cyclical Provision of ₹2.97Crores 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	0.67
Technical Write-off and the recoveries made thereon:						
Opening Balance						665.46
Add: Technical/Prudential write-offs during the year						0.00
Less: Recoveries made from previously technical/prudential written-off accounts during the year						14.26
Closing Balance						651.20

ii) Classification of Advances and provisions held as on March 31, 2022

(₹ in Crore)

Particulars	Standard Total Standard advances	Non-Performing			Total Non- Performing Advances	Total
		Sub standard	Doubtful	Loss		
Gross Standard Advances and NPAs						
Opening Balance	6 465.05	310.02	224.75	122.44	657.21	7 122.26
Add: Additions during the year					365.62	365.62
Less: Reductions during the year					489.29	489.29
Closing Balance	7 910.04	47.51	413.38	72.64	533.54	8 443.58
Reductions in Gross NPA due to						
i) Upgradation					239.36	
ii) Recoveries (excluding recoveries from upgraded accounts)					167.10	
iii) Technical/Prudential write-off loans					77.86	
iv) Write-off other than those under (iii) above.					4.98	
Provisions (Excluding Floating Provisions)						
Opening balance of Provisions held@	43.75	50.80	157.77	120.57	332.11	375.86
Add: Fresh Provisions made during the year					142.05	142.05
Less: Excess provision reversed/Write-off loans					175.00	175.00
Closing Balance of provisions held@	60.24	6.90	217.81	71.48	299.17	359.41
@ Counter Cyclical Provision of ₹2.97Crores is factored in Total NPAs/Total columns under opening/closing balance only.						
Net NPAs						
Opening Balance#		261.30	64.02	1.24	322.92	322.92
Add: Fresh additions during the year					297.68	297.68
Less: reductions during the year					388.44	388.44
Closing Balance#		33.01	201.70	1.09	232.16	232.16
# General provision of ₹3.64 Crore (Counter Cyclical Provision of ₹2.97Crores 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	0.00
Closing Balance	-	-	-	-	0.67	0.67
Technical Write-off and the recoveries made thereon:						
Opening Balance						594.20
Add: Technical/Prudential write-offs during the year						77.86
Less: Recoveries made from previously technical/prudential written-off accounts during the year						6.60
Closing Balance						665.46

Ratios (in Percentage)	31 st March 2023	31 st March 2022
Gross NPA to Gross Advances	5.19%	6.32%
Net NPA to Net Advances	1.16%	2.85%
Provision Coverage Ratio	90.61%	80.64%

b) Sector-wise advances and Gross NPAs

(₹ in Crores)

Sl. No.	Sector	March 31, 2023			March 31, 2022		
		Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
A	Priority Sector						
1	Agriculture and allied activities	2547.34	24.29	0.95	2015.71	28.76	1.43
2	Advances to industries sector eligible as priority sector lending	649.36	35.86	5.52	613.85	14.17	2.31
3	Services	1082.18	137.85	12.74	772.56	116.49	15.08
4	Personal loans (Other than above)	673.13	31.59	4.69	552.67	38.23	6.92
	Sub-total (A)	4952.02	229.59	4.64	3954.79	197.66	5.00
B	Non-Priority Sector						
1	Agriculture and allied activities	Nil	Nil	Nil	Nil	Nil	Nil
2	Industry	582.92	30.15	5.17	544.15	54.93	10.09
3	Services	2764.01	214.17	7.75	3011.52	264.26	8.77
4	Personal loans (Other than above)	1,554.78	37.24	2.40	933.12	16.70	1.80
	Sub-total (B)	4901.71	281.56	5.74	4488.79	335.89	7.48
	Total (A+B)	9853.73	511.15	5.19	8443.58	533.54	6.32

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. The above priority sector advance figure is excluding the investment in RIDF with NABARD and other regulators.

c) Overseas assets, NPAs and revenue
NIL

d) Particulars of Resolution Plan and Restructuring

i) Particulars of Resolution Plan

During the FY 2022-23, the Bank has restructured advances under the following schemes:

- Prudential Framework for Resolution of Stressed Assets issued by RBI vide circular DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019.
- Education Loans under IBA circular No. CIR/RB-ELS/1713 dt.26.12.2016.
- DCCO extension under 'Project under implementation' scheme.
- There were no accounts subjected to restructuring during the year which included an acquisition of shares due to conversion of debt to equity during a restructuring process on account of June 7, 2019 RBI circular.

ii) Details of borrowers subjected to restructuring under various schemes, as on March 31, 2023

(₹ in Crore)

		Agriculture and allied activities	Corporates (excluding MSME)	Micro, Small and Medium Enterprises	Retail (excluding agriculture and MSME)	Total
		Standard	Number of borrowers	Nil	Nil	3
	Gross Amount	-	-	38.23	2.97	41.20
	Provision held*	-	-	1.79	0.22	2.01
Sub-standard	Number of borrowers	Nil	Nil	2	6	8
	Gross Amount	-	-	2.08	0.49	2.57
	Provision held	-	-	0.32	0.11	0.43
Doubtful	Number of borrowers	Nil	Nil	4	9	13
	Gross Amount	-	-	17.24	2.31	19.55
	Provision held	-	-	7.60	1.00	8.60
Loss	Number of borrowers	2	Nil	6	86	94
	Gross Amount	0.04	-	6.20	2.76	9.00
	Provision held	0.04	-	6.20	2.76	9.00
Total	Number of borrowers	2	Nil	15	142	159
	Gross Amount	0.04	-	63.75	8.53	72.32
	Provision held	0.04	-	15.91	4.09	20.04

*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).

Details of borrowers subjected to restructuring under various schemes, as on March 31, 2022

(₹ in Crore)

		Agriculture and allied activities	Corporates (excluding MSME)	Micro, Small and Medium Enterprises	Retail (excluding agriculture and MSME)	Total
Standard	Number of borrowers	Nil	Nil	3	63	66
	Gross Amount	-	-	47.54	3.83	51.37
	Provision held*	-	-	2.26	0.30	2.56
Sub-standard	Number of borrowers	Nil	Nil	1	28	29
	Gross Amount	-	-	0.06	1.24	1.30
	Provision held	-	-	0.02	0.35	0.37
Doubtful	Number of borrowers	Nil	1	3	11	15
	Gross Amount	-	0.02	30.04	2.23	32.29
	Provision held	-	0.02	8.10	0.97	9.09
Loss	Number of borrowers	2	Nil	2	122	126
	Gross Amount	0.04	-	6.26	3.79	10.09
	Provision held	0.04	-	6.26	3.79	10.09
Total	Number of borrowers	2	1	9	224	236
	Gross Amount	0.04	0.02	83.90	11.09	95.05
	Provision held	0.04	0.02	16.64	5.41	22.11

*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).

iii) Details of Micro, Small and Medium Enterprises (MSME) Sector accounts restructured under the One Time Restructuring Scheme for MSME accounts as on 31.03.2023

Details of MSME accounts restructured as per RBI Circular DBR.No.BP:BC.18/21.04.048/2018-19 dated January 1, 2019, RBI/2019-20/160.DOR.No.BP:BC.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:

No. of borrowers restructured	Amount (₹ in Crore) *
46	113.33

*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

The divergence observed by RBI for the financial years 2021-22 and 2020-21 in respect of the Bank's asset classification and provisioning under the extant prudential norms on income recognition, asset classification and provisioning are below the regulatory requirement for disclosure and hence the disclosure as required under RBI Master Direction on 'Financial Statements-Presentation and Disclosures' on 'Divergence in the asset classification and provisioning', is not required to be made.

f) Disclosure of transfer of loan exposures

During the year 2022-2023 and previous year 2021-2022:

- (i) The Bank has not transferred any Non-Performing Assets (NPAs).
- (ii) The Bank has not transferred any special mention accounts (SMA) & Loan not in default.
- (iii) The bank has not transferred any loans in default acquired through assignment.
- (iv) The Bank has not acquired any loans from SCBs, RRBs, Co-operative Banks, AIFIs, SFBs and NBFCs including Housing Finance Companies (HFCs) or ARCs.

g) 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 to reporting all cyber fraud incidents to RBI through FMR, from 1st January 2023 onwards. Out of the total 61 numbers of fraud incidents reported to RBI during the year 2022-2023, 49 numbers are cyber frauds, where frauds had happened due to the compromise of confidential customer credentials by customers themselves/customer negligence and in these cases, there is no loss to the Bank.

	31.03.2023	31.03.2022
No. of frauds reported during the year	61	12
Amount involved in fraud (₹ in Cr)	161.03	5.46
Amount involved in fraud net of recoveries which requires provision (₹ in Cr)	155.68	5.45
Amount of Provision made for such Frauds (₹ in Cr)	144.89	5.45
Amount of unamortized provision debited from "other reserves" as at the end of the year (₹ in Cr) (See note below)	10.79	Nil

Note: RBI Circular DBR. No.BPBC.92/21.04.048/2015-16 dated April 18, 2016 grants banks an option to spread the provisioning for frauds, over a period of four quarters. Bank had exercised this option in respect one account with outstanding balance of ₹59.40 Crore declared as fraud during Q2 of this financial year, against which provision of ₹14.85 Crore was held as on the date of declaring the account as fraud. Bank has charged an amount of ₹33.41 Crore to the profit and loss account during the year being 75% of the provision required to be made over and above provision already held as on the date of fraud. Bank recovered ₹0.35 Crore in the account subsequently. Remaining unprovided amount of ₹10.79 Crore has now been charged against Revenue Reserve under reserves and surplus and will be charged to the profit and loss account by reversing the charge in Revenue Reserve under reserves and surplus in the next quarter.

h) Disclosure under Resolution framework for COVID-19 - related Stress:

- i) 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) 30.09.2022	Of (A), aggregate debt that slipped into NPA during the half year ended Mar. 2023	Of (A) written-off during the half year	Of (A) amount paid by the borrowers during the half year ended Mar 2023	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of year 31.03.23*
Personal Loans	23.09	1.55	-	2.40	21.07
Others	88.34	0.22	-	9.63	76.82
Corporate Persons (all are MSME loans)	41.76	0.00	-	5.65	40.91
Total under RFCS	153.19	1.77	-	17.68	138.80

*Excludes other facilities to the borrowers which have not been restructured but considered as part of residual debt.

- ii) 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 as follows:

No. of Accounts	4
Aggregate Exposure as on March 31, 2023 (₹ in Crore)	14.36

5. EXPOSURES

The Bank has lending to sectors, which are sensitive to asset price fluctuations. Such sectors include capital market and real estate.

a. 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, 2023	March 31, 2022
a) Direct exposure		
(i) Residential Mortgages –		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (A)	963.49	698.55
Of Which individual Housing Loan eligible for inclusion in Priority Sector Advances	572.03	443.96

Category	March 31, 2023	March 31, 2022
(ii) 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)	261.45	158.13
(iii) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –		
a. Residential	Nil	Nil
b. Commercial Real Estate	Nil	Nil
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs) (C)	399.00	304.09
Total Exposure to Real Estate Sector (A+B+C)	1623.94	1160.77

b. 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:

(₹ in Crore)

Particulars	March 31, 2023	March 31, 2022
(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;	64.57	61.80
(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
(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	64.57	61.80

Capital market exposure is reported in line with Para 2.3 of RBI's Master Circular on Exposure Norms dated July 1, 2015 (DBR.No. Dir. BC. 12/13.03.00/2015-16).

c) Risk Category wise Country Exposure

(₹ in Crore)

Risk Category	Exposure (net)	Provision held	Exposure (net)	Provision held
	as at March 31, 2023	as at March 31, 2023	as at March 31, 2022	as at March 31, 2022
Insignificant	4.67	Nil	Nil	Nil
Low	4.71	Nil	3.35	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	9.38	Nil	3.35	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.

d) Unsecured Advances

Following are the details of unsecured advances for which intangible securities have been taken:

(₹ in Crores)

Particulars	March 31, 2023	March 31, 2022
Total Unsecured advances of the Bank	355.41	418.64
Of which, amount of advances outstanding against charge over intangible securities such as rights, Licenses, authority etc.	Nil	Nil
The estimated value of such intangible security as in (i) above	Nil	Nil

e) Factoring Exposures

Bank has no factoring Exposures

f) Intra-Group Exposures

Bank does not have any group entities.

g) 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 ₹0.12 crore (previous year – ₹0.16 crore) and ₹0.10 Cr (previous year – ₹0.05 Cr) on account of unhedged foreign currency exposure of its borrowers as at March 31, 2023.

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, 2023	March 31, 2022
Total Deposits of twenty largest depositors (₹ in crore)	3027.15	2651.87
Percentage of Deposits of twenty largest depositors to total Deposits of the Bank	22.67%	21.39%

b) Concentration of Advances

Particulars	March 31, 2023	March 31, 2022
Total Advances to twenty largest borrowers (₹ in crore)	1759.99	1687.94
Percentage of Advances to twenty largest borrowers to Total Advances of the Bank	17.86%	19.99%

Note: Advance is computed as per the definition of Credit Exposure in RBI Master Circular on Exposure Norms DBR. No. Dir. BC.12/13.03.00/2015-16 dated July 1, 2015.

c) Concentration of Exposures

Particulars	March 31, 2023	March 31, 2022
Total Exposure to twenty largest borrowers/customers (₹ in crore)	1824.43	1778.11
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	17.63%	19.33%

Note: Exposure is computed as per the definition of Credit and Investment Exposure in RBI Master Circular on Exposure Norms DBR. No. Dir. BC.12/13.03.00/2015-16 dated July 1, 2015.

d) Concentration of NPAs

Particulars	March 31, 2023	March 31, 2022
Total Exposure to top twenty NPA accounts (₹ in Crore)	302.45	302.07
Percentage of exposures to the twenty largest NPA exposures to total Gross NPAs.	59.17%	56.62%

7 DERIVATIVES

a. Forward Rate Agreement (FRA)/Interest Rate Swaps (IRS)

The Bank has not entered into Forward Rate Agreement (FRA) and Interest Rate Swap (IRS) during FY 2022-23. The bank had NIL outstanding FRA and IRS position at the end of March 2023.

b. Exchange Traded Interest Rate Derivatives

(₹ in Crore)

Sl. No.	Particulars	March 31, 2023	March 31, 2022
(i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)	Nil	Nil
(ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March (instrument-wise)	Nil	Nil
(iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	Nil	Nil
(iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	Nil	Nil

c. Disclosures on risk exposure in derivatives

i) Qualitative Disclosure

1. 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 enters into foreign exchange swaps with other banks for hedging own balance sheet items like FCNR/EEFC etc. The Integrated Treasury 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.

2. 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.

3. 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.

4. 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 Disclosures

(₹ in Crore)

Sl. No.	Particulars	March 31, 2023		March 31, 2022	
		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 (+)	3.46	Nil	1.18	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

d. Credit Default Swaps

The bank has not undertaken any transactions in Credit Default Swaps (CDS) during the year March 31, 2023 and March 31, 2022.

e. OIS (Overnight Index Swap) position

The Bank has not entered into OIS (Overnight Index Swap) during FY 2022-23. The bank had NIL outstanding OIS position at the end of March 2023 and March 2022.

f. Un-hedged/uncovered foreign currency exposure of the Bank

The Bank's foreign currency exposures as at March 31, 2023 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 ₹10.00 Crore and actual position as on March 31, 2023 is ₹2.81 Crore. AGL limit is USD 89 Mio and actual position as on March 31, 2023 is USD 17.86 Million.

g. Currency Futures

The Bank does not deal in exchange traded currency futures during the current and previous Financial Years.

8 Securitization Transactions

Sl. No.	Particulars	March 31, 2023	March 31, 2022
i	No. of SPEs holding assets for securitization transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)	Nil	Nil
ii	Total amount of securitized assets as per books of the SPEs	Nil	Nil
iii	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet	Nil	Nil
iv	a) Off-balance sheet exposures <ul style="list-style-type: none"> • First loss • Others b) On-balance sheet exposures <ul style="list-style-type: none"> • First loss • Others c) On-balance sheet exposures <ul style="list-style-type: none"> • First loss • Others 	Nil	Nil

Sl. No.	Particulars	March 31, 2023	March 31, 2022
	Amount of exposures to securitisation transactions other than MRR	Nil	Nil
	a) Off-balance sheet exposures i) Exposure to own securitisations • First loss • Others ii) Exposure to third party securitisations • First loss • Others	Nil	Nil
	b) On-balance sheet exposures i) Exposure to own securitisations • First loss • Others ii) Exposure to third party securitisations • First loss • Others	Nil	Nil
v	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	Nil	Nil
vi	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	Nil	Nil
vii	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided. (a) Amount paid (b) Repayment received (c) Outstanding amount	Nil	Nil
viii	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc.	Nil	Nil
	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e., RMBS, Vehicle Loans, etc.	Nil	Nil
	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	Nil	Nil

9. Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Name of the SPV sponsored	
Domestic	Overseas
Nil	Nil

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 set out below:

(₹ in Crore)

Particulars	March 31, 2023	March 31, 2022
Opening balance of amounts transferred to DEA Fund	67.51	47.21
Add: Amounts transferred to DEA Fund during the year	12.66	21.3
Less: Amounts reimbursed by DEA Fund towards claims	0.97	1.00
Closing balance of amounts transferred to DEA Fund	79.20	67.51

11. Disclosure of Complaints

a) Summary information on complaints received by the bank from customers and from the office of Banking Ombudsman

Sl. No.	Particulars	31.03.2023	31.03.2022
	Complaints received by the bank from its customers		
1	Number of complaints pending at beginning of the year	113	61
2	Number of complaints received during the year	6101	14005
3	Number of complaints disposed during the year	6139	13953
3.1	Of which, number of complaints rejected by the bank	34	39
4	Number of complaints pending at the end of the year	75	113
	Maintainable complaints received by the bank from Office of Ombudsman		
5	Number of maintainable complaints received by the bank from Office of Ombudsman	32	27
5.1	Of 5, number of complaints resolved in favor of the bank by Office of Ombudsman	32	27
5.2	Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman	Nil	Nil
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the bank	Nil	Nil
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	Nil	Nil
	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.		

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 2022-23					
ATM/Debit Cards	76	2972	-58	27	0
Internet/Mobile/Electronic Banking	33	2483	-60	35	0
Account opening/difficulty in operation of accounts	1	370	-12	5	0
Credit Cards	2	154	18	1	0
Loans and Advances	1	23	-50	1	0
Others	0	99	-52	6	0
Total	113	6101	-	75	0
Financial Year 2021-22					
ATM/Debit Cards	40	7138	-5	76	0
Internet/Mobile/Electronic Banking	11	6206	-4	33	0
Account opening/difficulty in operation of accounts	4	420	-54	1	0
Credit Cards	-	130	42	2	0
Loans and Advances	-	46	-23	1	0
Others	6	65	-28	0	0
Total	61	14005	-	113	0

12 Penalties Levied by the Reserve Bank of India

During the year 2022-23, RBI levied a penalty of ₹2300/- on discrepancies detected towards Soiled Notes Remittance. Details are given below

Particulars	Banking Regulation Act, 1949	Payment and Settlement Systems Act, 2007	Government Securities Act, 2006 (for bouncing of SGL)
Nature of the breach	Scheme of Penalties for bank branches including Currency Chests for deficiency in rendering customer service to the members of public – deficiency in soiled note remittance to RBI	NIL	NIL
Number of instances of default	5	NIL	NIL
Quantum of Penalty imposed	₹02 lakhs	NIL	NIL

During the year 2021-22, Reserve Bank of India levied penalty on the Bank as detailed below

Particulars	Banking Regulation Act, 1949	Payment and Settlement Systems Act, 2007	Government Securities Act, 2006 (for bouncing of SGL)
Nature of the breach	1. Contravention of section 26(A)(2) of the Banking Regulation Act, 1949 – Transfer to DEA Fund Account 2. Penalty imposed for deficiency in soiled note remittance to RBI (As per RBI Master Circular on Scheme of Penalties for bank Branches including Currency Chests for deficiency in rendering customer service to the members of public)	Nil	Nil
Number of instances of default	1. 1 2. 6	Nil	Nil
Quantum of Penalty imposed	1. ₹27.50 Lakhs 2. ₹0.02 Lakhs	Nil	Nil

In the case of default in reverse repo Transactions:

Number of instances of default	Nil
Quantum of Penalty paid to RBI	Nil

13 Disclosures on Remuneration

a. Qualitative Disclosures

a	Information relating to the composition and mandate of the Nomination and Remuneration Committee	<p>Composition</p> <ol style="list-style-type: none"> Sri. K.N. Madhusoodanan, Chairperson Sri. Gopinathan C.K. Sri. G. Rajagopalan Nair Sri. Sreesankar Radhakrishnan Dr. Nirmala Padmanabhan <p>Terms of Reference</p> <ol style="list-style-type: none"> 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;
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		<ol style="list-style-type: none"> 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 re-appointment) 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; [The committee shall ensure the following while formulating the policy on the aforesaid matters: <ol style="list-style-type: none"> a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, key managerial personnel and senior management of the quality required to run the Bank successfully; b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; c) Remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Bank and its goals.] 9. Formulating and determining the Bank's policies on remuneration packages payable to the Directors and key managerial personnel including performance/achievement bonus, perquisites, retinals, 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. <p>Periodicity of Meetings At least once in a year; however, the Committee should meet as and when new Directors are proposed to be appointed and when existing Directors are proposed to be re-appointed.</p>
b	Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.	<p>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.</p> <p>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.</p>

<p>c</p>	<p>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.</p>	<p>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'.</p> <p>The Policy also touches upon the sensitivity of payout schedule to the time horizon of risks.</p> <p>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</p> <ol style="list-style-type: none"> 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. <p>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.</p> <p>The former is periodically revised by bi-parite 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.</p>
<p>d</p>	<p>Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.</p>	<p>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.</p> <p>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.</p> <p>For employees coming under IBA pattern, the compensation shall be revised once in five years as decided by the bi-parite settlements/joint notes, subject to granting of bank's mandate.</p> <p>Under CTC pattern the increments shall be linked to bank's performance as well as the employees' performance based on year-on-year yardsticks fixed at the sole discretion of the competent authority.</p>
<p>e</p>	<p>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.</p>	<p>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.</p> <p><u>Deferral of Variable Pay</u></p> <p>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:</p> <ol style="list-style-type: none"> 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. <p><u>Period of Deferral Arrangement</u></p> <p>Deferral Period shall be fixed as three years applicable to both cash and non-cash components of the Variable Pay.</p>

		<p>In order to ensure a proper assessment of risks before the application of ex-post adjustments, following guidelines shall be ensured for vesting.</p> <ol style="list-style-type: none"> 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. <p><u>Retention Period</u></p> <p>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.</p>
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.	<p>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.</p> <p><u>Limits on Variable Pay:</u></p> <ol style="list-style-type: none"> 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%.

b. Quantitative Disclosures

(₹ in Crore)

Quantitative Disclosures		March 31, 2023		March 31, 2022			
Number of meetings held by the Nomination and Remuneration Committee during the financial year and remuneration paid to its members.		8		9			
		Sitting fee: ₹0.075		Sitting fee: ₹0.057			
(i) Number of employees having received a variable remuneration award during the financial year.		Nil*		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.							
(i) Total amount of outstanding deferred remuneration, split into cash, shares and share linked instruments and other forms.		Nil*		Nil*			
(ii) Total amount of deferred remuneration paid out in the financial year.		Nil*		Nil*			
Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.			Fixed Pay	Variable Pay		Fixed Pay	Variable Pay
		MD & CEO	0.60	0.60*	MD & CEO	0.60	0.60
		MRTs	2.75	Nil	MRTs	2.59	Nil
(i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and/or implicit adjustments.		Nil*		Nil*			
(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.		Nil*		Nil*			

Quantitative Disclosures	March 31, 2023	March 31, 2022
Number of MRTs identified.	10 - 1 General Manager & 9 Deputy General Manager (excluding Banking Ombudsman)	12 - 1 General Manager & 11 Deputy General Managers (excluding Banking Ombudsman)
Number of cases where malus has been exercised.	Nil	Nil
(ii) Number of cases where claw back has been exercised.	Nil	Nil
(iii) Number of cases where both malus and claw back have been exercised.	Nil	Nil
The mean pays for the bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay.	₹89,842.78 (Average gross pay as on 31.03.2023, excluding sub-staff)	₹85,424.55 (Average gross pay as on 31.03.2022, excluding sub-staff and sweepers)

*As per the terms of appointment approved by Board of Directors, the Managing Director & CEO is eligible for Variable Pay with cash and non-cash components aggregating to ₹0.60 Crore in a year upon satisfying specific parameters as per audited figures of the relevant financial year. The actual amount of variable pay can be quantified based on audited figures for FY 2022-23 only.

c. 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. Sitting Fees were paid at the rate of ₹25,000 for Board Meeting and ₹15,000 for meetings of the Board Committees till 31.01.2023. The Board at its meeting held on 31.01.2023 has revised the sitting fees of Board and Board Committees to ₹40,000/- and ₹30,000/- respectively

Details of sitting fees paid are given below:

(₹ in Crore)

Particulars	March 31, 2023	March 31, 2022
Sitting Fees paid to Non-Executive Directors	0.675	0.44

13 Other Disclosures

a. BUSINESS RATIOS

Sl. No.	Particulars	March 31, 2023	March 31, 2022
(i)	Interest Income as a percentage to Working Funds (%) *	7.13	6.64
(ii)	Non-interest income as a percentage to Working Funds (%) *	0.50	1.22
(iii)	Cost of Deposits (%)	4.48	4.54
(iv)	Net Interest margin (%)	3.60	3.00
(v)	Operating Profit as a percentage to Working Funds (%) *	0.82	0.97
(vi)	Return on Assets (%) *	0.34	0.27
(vii)	Business (Deposits plus net advances) per employee – ₹ in Crore #	13.13	12.09
(viii)	Profit/(Loss) per employee – ₹ in Crore #	0.03	0.02

* Working funds represents the average of total assets as reported in Return Form X to RBI under Section 27 of the Banking Regulation Act, 1949 during the 12 months of the financial year.

For the purpose of computation of business per employee (deposits plus advances), interbank deposits have been excluded.

b. Bancassurance Business

Details of income earned from bancassurance business:

(₹ in Crore)

Sl. No.	Nature of Income	March 31, 2023	March 31, 2022
1	For selling non-life insurance policies	1.12	0.65
2	For selling Life insurance policies	14.29	10.45
	Total	15.41	11.10

c. Marketing and Distribution

Bank is not undertaking marketing and distribution function except bancassurance business.

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.

- There was no sale of PSLC by bank during year ended March 31, 2023 and March 31, 2022.
- There was purchase of PSLC of ₹75 Cr. by bank during year ended March 31, 2023 and there was purchase of PSLC of ₹100 Cr. during March 31, 2022.

e. Provisions and Contingencies

The breakup of Provisions and Contingencies for the year ended March 31, 2023 and March 31, 2022 are given below:

₹ in Crore

Particulars	March 31, 2023	March 31, 2022
Provision for NPI	(3.50)	57.46
Provision for Standard Assets	4.84	(13.86)
Provision against Fraud	1.16	(0.01)
Provision for NPA (including Bad Debts written off)	94.57	49.89
Provision for Restructured Advances	(6.17)	29.80
Provision for Unhedged Forex Exposure	(0.04)	0.11
Provision for Income Tax	1.24	-
Provision for Deferred Tax	(18.99)	1.19
Other Provisions (Net)*	0.73	(26.19)
Total	73.84	98.39

*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)

The Bank has submitted half yearly proforma Ind AS financials with the corresponding comparative financial statements as per the current framework advised by RBI.

In terms of notification DBR.BP.BC.No.29/21.07.001/2018-19 dated March 22, 2019, the implementation of Ind AS is deferred until further notice from RBI.

g. Payment of DICGC Insurance premium

(₹ in Crore)

Sl. No.	Particulars	March 31, 2023	March 31, 2022
i)	Payment of DICGC insurance Premium (including GST)	17.83	16.74
ii)	Arrears in payment of DICGC Premium	0.00	0.00

h. Disclosure of facilities granted to directors and their relatives: Not Applicable**i. Amortization of expenditure on account of enhancement in family pension of employees of banks**

Reserve Bank of India vide letter dated October 4, 2021 has permitted all member banks of Indian Banks' Association covered under the 11th Bipartite Settlement to amortize the additional liability on account of revision in family pension over a period not exceeding five years, beginning with the Financial Year ended March 31, 2022. The bank has recognized the entire additional liability estimated at ₹14.29 crores and opted to amortize the same over a period of five years beginning with the financial year ended March 31, 2022. Accordingly, an amount of ₹2.86 crores have been written off during the financial year ended March 31, 2023 in respect of the said estimated additional liability and the balance amounting to ₹8.58 crores have been carried forward as unamortized expenditure.

15. Disclosure as per Accounting Standards (AS)**a) Employee Benefits (AS 15)**

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:

i. Defined Benefit Pension Plan and Gratuity**a. Expenses recognized in Profit and Loss Account**

(₹ in Crore)

Particulars	Pension		Gratuity	
	2022-23	2021-22	2022-23	2021-22
Changes in the present value of the defined benefit obligations				
Present value of obligation at the beginning of the year	169.16	156.88	73.08	69.83
Interest cost	9.73	8.76	5.61	5.17

Particulars	Pension		Gratuity	
	2022-23	2021-22	2022-23	2021-22
Current Service Cost	9.24	9.29	4.91	4.59
Benefits paid	(1.19)	(1.69)	3.21	3.60
Net actuarial (gain)/loss on obligation	28.66	33.98	(4.77)	(10.12)
Past service cost	Nil	Nil	Nil	Nil
Settlements	(42.41)	(38.06)	Nil	Nil
Present value of the defined benefit obligation at the end of the year	173.19	169.16	82.05	73.08
Change in the fair value of plan assets:				
Fair value of plan assets at the beginning of the year	147.62	124.02	56.94	60.15
Expected return on plan assets	10.43	11.19	4.92	4.38
Contributions by employer	26.39	51.98	16.14	9.67
Benefit paid	(1.19)	(1.69)	3.21	3.60
Settlements	(42.41)	(38.06)	Nil	Nil
Actuarial gain/(loss)	(0)	0.17	(2.71)	(20.88)
Fair value of plan assets at the end of the year	140.84	147.62	78.50	56.94
Total Actuarial Gain/(Loss) to be recognized immediately	(28.66)	(33.80)	2.05	(10.76)
Expenses recognized in Profit and Loss Account				
Current Service Cost	9.24	9.29	4.91	4.59
Interest cost on benefit obligation	9.73	8.76	5.61	5.17
Expected return on plan assets	(10.43)	(11.19)	(4.92)	(4.38)
Net actuarial (gain)/loss recognized in the year	28.66	33.80	(2.05)	10.76
Past Service Cost PSL – amortization	Nil	Nil	Nil	Nil
Expenses recognized in the Profit and Loss account	37.21	40.67	3.55	16.14
The amount recognized in the Balance Sheet				
Present Value of obligation at the end of the year (i)	173.19	169.16	82.05	73.08
Fair value of plan assets at the end of the year (ii)	140.84	147.62	78.50	56.94
Difference (ii)-(i)	(32.35)	(21.54)	(3.54)	(16.14)
Unrecognized past service liability	Nil	Nil	Nil	Nil
Net asset/(liability) recognized in the Balance Sheet	(32.35)	(21.54)	(3.54)	(16.14)

b. Details of the Plan Asset

The details of the plan assets (at cost) are as follows:

(₹ in Crores)

Particulars	Pension		Gratuity	
	2022-23	2021-22	2022-23	2021-22
Central Government Securities	16.85	16.81	-	-
State Government Securities	-	10.00	-	5.00
Investment in Private Sector Undertakings	1.50	1.50	-	-
Others	121.04	136.83	72.62	51.35
Total	139.39	165.14	72.62	56.35

c. Actuarial Assumptions

Principal assumptions used for actuarial valuation are:

Method used	Pension including family pension (wherever applicable)		Gratuity	
	Projected Unit Credit Method		Projected Unit Credit Method	
	2022-23	2021-22	2022-23	2021-22
Discount rate (%)	7.58	7.20	7.58	7.20
Expected rate of return on assets (%)	7.75	7.75	7.00	6.25
Future salary increases (%)	2.5	2.50	5.00	5.00
Increase in price inflation (%)	3.5	3.50		

d. Pension Plan

(₹ in Crores)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Defined Benefit Obligations	173.19	169.16	156.88	147.18	143.48	146.09
Plan Assets	140.84	147.62	124.02	114.73	144.73	163.88
Surplus/(Deficit)	32.35	21.54	32.86	32.45	-1.25	-17.79

e. Gratuity Plan

(₹ in Crores)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Defined Benefit Obligations	82.05	73.08	69.83	62.11	52.8	47.84
Plan Assets	78.5	56.94	60.15	62.29	46.03	44.48
Surplus/(Deficit)	3.55	16.14	9.68	-0.18	6.77	3.36

ii) Leave encashment benefit

a) Expenses recognized in Profit and Loss Account

(₹ in Crores)

Particulars	Leave		Sick Leave	
	2022-23	2021-22	2022-23	2021-22
Changes in the present value of the defined benefit obligations				
Present value of obligation at the beginning of the year	39.00	36.01	3.83	4.23
Interest cost	3.06	Nil	0.32	0.30
Current Service Cost	2.81	Nil	0.70	0.69
Benefits paid	(4.38)	(4.97)	Nil	Nil
Net actuarial (gain)/loss on obligation	2.93	7.96	(0.92)	(1.40)
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	43.42	39.00	3.93	3.83
Change in the fair value of plan assets:				
Fair value of plan assets at the beginning of the year	Nil	Nil	Nil	Nil
Expected return on plan assets	Nil	Nil	Nil	Nil
Contributions by employer	4.38	4.97	Nil	Nil
Benefit paid	(4.38)	(4.97)	Nil	Nil
Settlements	Nil	Nil	Nil	Nil
Actuarial gain/(loss)	Nil	Nil	Nil	Nil
Fair value of plan assets at the end of the year	Nil	Nil	Nil	Nil
Total Actuarial Gain/(Loss) to be recognized immediately	(2.93)	(7.96)	0.92	1.40
Expenses recognized in Profit and Loss Account				
Current Service Cost	2.81	Nil	0.70	0.69
Interest cost on benefit obligation	3.60	Nil	0.32	0.30
Expected return on plan assets	Nil	Nil	Nil	Nil
Net actuarial (gain)/loss recognized in the year	2.93	7.96	(0.92)	(1.40)
Past Service Cost PSL – amortization	Nil	Nil	Nil	Nil
Excess provision held in books*	Nil	Nil	Nil	Nil
Expenses recognized in the Profit and Loss account	8.80	7.96	0.10	(0.40)
The amount recognized in the Balance Sheet				
Present Value of obligation at the end of the year (i)	43.42	39.00	3.93	3.83
Fair value of plan assets at the end of the year (ii)	Nil	Nil	Nil	Nil
Difference (ii)-(i)	(43.42)	(39.00)	(3.93)	(3.83)
Unrecognized past service liability	Nil	Nil	Nil	Nil
Net asset/(liability) recognized in the Balance Sheet	(43.42)	(39.00)	(3.93)	(3.83)

a) Details of the Plan Asset

Leave encashment benefits of employees are provided on an actuarial basis and is unfunded.

b) Actuarial Assumptions

Principal assumptions used for actuarial valuation are:

Method used	Leave		Sick Leave	
	Projected Unit Credit Method		Projected Unit Credit Method	
	2022-23	2021-22	2022-23	2021-22
Discount rate	7.58%	7.20%	7.50%	7.20%
Expected rate of return on assets	NA	NA	NA	NA
Future salary increases	5.00%	5.00%	5.00%	5.00%

The above information except otherwise stated is as certified by the actuary and relied upon by the auditors

b. 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

(₹ in Crores)

Business Segments	Treasury		Retail Banking		Corporate/ Wholesale Banking		Other Banking Operations		Unallocated		Total	
	March	March	March	March	March	March	March	March	March	March	March	March
	31, 2023	31, 2022	31, 2023	31, 2022	31,2023	31,2022	31, 2023	31, 2022	31, 2023	31, 2022	31,2023	31,2022
Revenue	197.95	338.92	572.28	417.68	375.52	329.16	Nil	Nil	Nil	Nil	1145.75	1085.76
Results	18.80	163.93	84.03	5.68	20.37	(35.31)	Nil	Nil	Nil	Nil	123.20	134.30
Unallocated Expenses	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Operating Profit	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	123.20	134.30
Total provisions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	91.59	97.21
Tax Expenses	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	(17.75)	1.19
Extra ordinary items	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Profit After Tax	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	49.36	35.90
Other Information	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Segment Assets	4261.44	4291.36	6223.26	4989.73	4526.89	4414.22	Nil	Nil	Nil	Nil	15011.59	13695.31
Unallocated Assets	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	120.54	100.45	120.54	100.45
Total Assets	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	15132.13	13795.76
Segment Liabilities	4023.77	3930.58	5874.22	4756.91	4272.99	4208.26	Nil	Nil	Nil	Nil	14170.98	12895.75
Unallocated Liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	961.15	900.01
Total Liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	15133.13	13795.76

c. Related Party Disclosures (AS 18)

(₹ in Crore)

Key Management Personnel	Nature of Transaction	March 31, 2023	March 31, 2022
Sri Shivan J K, MD & CEO*	Remuneration including perquisites	0.60	0.60

Mr Shivan J K, MD & CEO is eligible for Variable pay with cash and non-cash components up to a maximum of ₹0.60 Crore based on audited figures for FY 2022-23. Suitable provision made for the same.

d. 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:

(₹ in Crore)

Particulars	March 31, 2023	March 31, 2022
Operating Lease Payments	28.77	28.87

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:

(₹ in Crore)

Particulars	March 31, 2023	March 31, 2022
Not later than one year	27.43	28.05
Later than one year and not later than five years	64.20	78.78
Later than five years	15.51	34.38
Total	107.14	141.21

The above information is as certified by the Management and relied upon by the auditors.

e. Earnings per Share (AS 20)

Particulars	March 31, 2023	March 31, 2022
Net Profit/(Loss) after tax (₹ in Crore)	49.36	35.90
Weighted average number of equity shares for Basic EPS	253012084	253012084
Weighted average number of equity shares for Diluted EPS	253012084	253042945*
Earnings per share (Basic) in ₹	1.95	1.42
Earnings per share (Diluted) in ₹	1.95	1.42

*Guaranteed bonus of 100000 shares at face value to Managing Director & CEO was considered for computing the Weighted average number of equity shares for Diluted EPS for the year ended 31st March 2022. During the financial year Managing Director & CEO has renounced his rights to receive the guaranteed bonus.

f. Accounting for Taxes on Income (AS 22)

Bank has recognized the provision for Income Tax by exercising the option permitted under Section 115BAA of the Income Tax Act, 1961. The existing Deferred Tax Asset (DTA) recognized on 31st March 2022 amounting to ₹50.13 crore has been reviewed and re-measured and the DTA has been recognized as on 31st March 2023 at ₹69.12 crore.

The components of Deferred Tax Assets and Liabilities are shown below:

(₹ in Crore)

Particulars	31-Mar-23	31-Mar-22
Deferred Tax Asset		
Provision for Loans/Others	27.89	26.42
Depreciation on Fixed Assets	6.26	7.36
Carry forward loss	38.64	20.73
Total (A)	72.79	54.51
Deferred Tax Liability		
Special Reserve u/s 36(1)(viii)	1.51	1.51
Enhancement of Family Pension	2.16	2.87
Total (B)	3.67	4.38
Net Deferred Tax Asset (A-B)	69.12	50.13

As the Bank is reporting profits continuously, the above deferred tax assets are recognized in its Balance Sheet on the basis of financial projections and thereby ensuring that there is reasonable/virtual certainty of having sufficient taxable income to enable realization of the said deferred tax asset.

g. Intangible Assets (AS 26)

Intangible assets include computer software which are carried at cost of acquisition less accumulated amortization and amortized on a Straight-Line Method (SLM) basis over the estimated useful lives of 5 years on a pro rata basis

h. Impairment of Assets (AS 28)

In the opinion of the Bank's management, there is no indication of the impairment to the assets during the year to which the Accounting Standard 28 "Impairment of Assets" applies.

16 ADDITIONAL DISCLOSURES

a) 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.

b) Disclosure of Letter of Comforts (LOCs) issued by the Bank

During the year the Bank has not issued Letter of Comforts since 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).

c) Description of 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. 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. Currency swaps are commitments to exchange cash flows by way of interest/principal in one currency against another, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts of financial instruments of such foreign exchange contracts and derivatives provide a basis for comparison with instruments recognized on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Bank's exposure to credit or price risks. The derivative instruments become favorable (assets) or unfavorable (liabilities) as a result of fluctuations in market rates or prices relative to their terms. Hence the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly.
3	Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	As a part of its commercial banking activities the Bank issues 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	- Disputed Tax - Amount deposited with RBI under Depositor Education Awareness Fund - Estimated amount of contracts remaining to be executed on capital account and not provided for.

*Refer Schedule 12 for amounts relating to Contingent Liability

d) Capital commitments (₹ in Crore)

March 31, 2023	March 31, 2022
5.38	9.36

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) 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.

g) Provision for Tax

Bank has made the provision for taxes for the financial year ended 31st March 2023 and 31st March 2022 as given below:

(₹ in Crore)

Particulars	March 31, 2023	March 31, 2022
Income Tax	1.24	Nil
Deferred Tax	(18.99)	1.19

h) 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 2022-23.

i. 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, 2023 and March 31, 2022.

j. Software Capitalized under Fixed Assets

The Bank has capitalized software under Fixed Asset amounting to ₹9.31 Crore and ₹7.01 Crore during the financial year ended March 31, 2023 and March 31, 2022 respectively, as given below:

(₹ in Crore)

Particulars	As at	
	March 31, 2023	March 31, 2022
At cost at March 31st of the preceding year	99.24	92.47
Additions during the year	9.31	7.01
Deductions during the year	0.10	0.24
Depreciation to date	83.92	75.5
Net Block	24.53	23.74

k. Corporate Social Responsibility (CSR)

Bank has decided to take up the activity of Corporate Social Responsibility (CSR) for the FY 2022-2023 and has been approved for a budget of ₹0.84 Crore as CSR funds which is 2% of the average net profit achieved by the Bank during the last 3 financial years. Of the approved budget, Bank has spent ₹0.20 Crore during the FY 22-23 and an unspent amount of ₹0.64 Crore is transferred to 'Unspent Corporate Social Responsibility Account' as the same pertains to an ongoing project.

For the financial year 2021-22, an unspent amount of ₹0.27 Crore was transferred to 'Unspent Corporate Social Responsibility Account' as the same pertains to an ongoing project. From the "Unspent Corporate Social Responsibility Account 2020-21", Bank has spent ₹0.03 Crore during the financial year 2022-23 and has carried forward ₹0.23 Crore for the next financial year.

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

Shivan J. K.
Managing Director & CEO

C. K. Gopinathan
Director

G. Rajagopalan Nair
Director

D. K. Kashyap
Director

Yarasi Jayakumar
Director

K. N. Madhusoodanan
Director

Sreesankar Radhakrishnan
Director

Dr. Nirmala Padmanabhan
Director

Sridhar Kalyanasundaram
Director

Vardhini Kalyanaraman
Director

Kavitha T. A.
Chief Financial Officer

Venkatesh H.
Company Secretary

Chandran L.
General Manager

As per our Report of even Date

For Krishnamoorthy & Krishnamoorthy,

Chartered Accountants, Firm Registration No. 001488S

CA. R Venugopal, Partner, Membership No. 202632

Place : Thrissur

Date : 22nd May 2023

PILLAR III DISCLOSURE REQUIREMENTS

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 have been consolidated in Master Circular RBI/2022-23/12 DOR.CAP.REC.3/21.06.201/2022-23 – Basel III Capital Regulations dated April 1, 2022.

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 ₹400 Cr, comprising 40 Cr equity shares of ₹10/- each. As on March 31, 2023, the Bank has Issued, Subscribed and Paid-up capital of ₹2,53,01,20,840/-, constituting 25,30,12,084 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 March 31, 2023 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, 2023, 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 Circular.

₹ in Cr

Series	Coupon (%)	Date of Allotment	Maturity Date	Amount of Issue *
Series XV	Payable half yearly @ 11.00%	29.03.2018	29.03.2025	150.00

*Of this ₹30.00 Cr is 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 31.03.2023

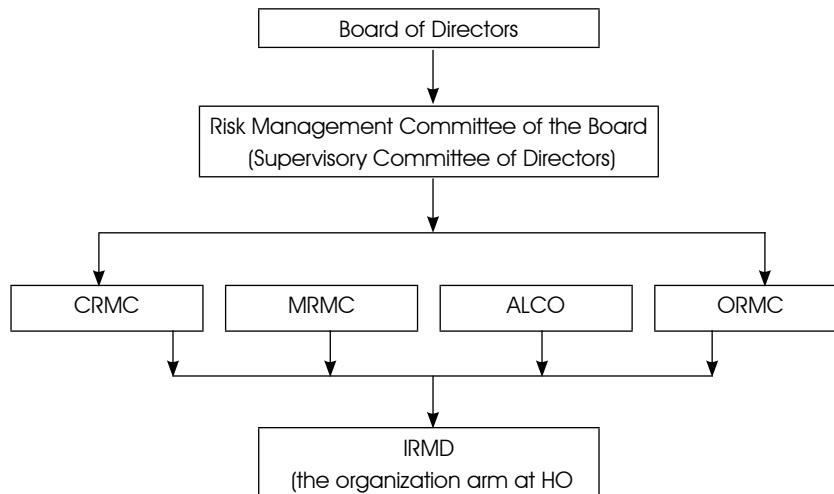
Items	₹ in Million
Paid-up Share Capital	2530.12
Reserves	13643.62
Common Equity Tier 1 Capital before deductions	16173.74
Less amounts deducted from Tier I capital (accumulated losses, DTA and Intangible Assets)	8605.42
(a) Common Equity Tier 1 Capital	7568.32
(b) Additional Tier-I Capital	0.00
(c) Total Tier-1 Capital (a)+(b)	7568.32
Directly issued Tier II capital instruments subject to phase out	300.00
General Provisions/Investment Reserves/Investment Fluctuation Reserves	970.14
(d) Total Tier 2 Capital	1270.14
Total Eligible Capital (c)+(d)	8838.46

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	31.03.2023
(a) Capital requirements for Credit risk	
Portfolios subject to Standardised Approach (11.50%)	662.17
Securitization exposures	
(b) Capital requirements for Market risk-Standardised Duration approach	
Interest rate risk	33.56
Foreign exchange risk (including gold)	0.90
Equity position risk	3.21
(c) Capital requirements for Operational risk	
Basic Indicator Approach	75.59
Total Capital Funds Required @ 11.50% [(a)+(b)+(c)]	775.43
Total Capital Funds Available	883.85
Total Risk Weighted Assets	7173.79
(d) Common Equity Tier 1, Tier 2 and Total Capital Ratios	
Common Equity Tier 1 CRAR (%)	10.55%
Tier 2 CRAR (%)	1.77%
Total CRAR % for the Bank	12.32%

Structure and Organisation 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 Branch Operational Manager, jointly,
- Retail Assets Credit Committee for Retail Loans (RACC)
- Retail Assets Credit Committee 1 for Retail Loans (RACC 1)
- Regional Credit Committee (RCC)
- 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 ₹100 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 ₹1 Cr 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 2023: (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	Total (In Cr)
Fund Based	Loans & advances	9853.73	11441.03
	Cash, RBI and Banks	846.63	
	Others (Fixed Assets & other Assets)	740.68	
Non-Fund Based	LC, BG etc.	395.36	1087.30
	Forward Contracts/Interest rate SWAPS	138.03	
	Others	553.91	
Investments (Banking Book only)	–	2906.36	2906.36
Total of Credit Risk exposure	–	15434.70	15434.70

(b) Geographic distribution of exposures:

Exposures	31.03.2023 (₹ in Cr)		
	Fund based	Non-Fund based	TOTAL
Domestic operations	14347.40	1087.30	15434.70
Overseas operations	Bank has no overseas operations		

(c) Industry type distribution of exposures as on 31.03.2023:

Particulars	Funded Exposures
	Gross advance (₹ in Cr)
A. Mining and Quarrying	2.55
B. Food Processing	92.16
C. Beverages (excluding Tea & Coffee) and Tobacco	19.53
D. Textiles	108.29
E. Leather and Leather Products	11.40
F. Wood and Wood Products	7.70
G. Paper and Paper Products	10.38
H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear fuels	0
I. Chemicals and Chemical Products (Dyes, Paints, etc.)	21.16
J. Rubber, Plastic and their Products	6.73
K. Glass & Glassware	8.79
L. Cement and Cement Products	5.08
M. Basic Metal and Metal Products	30.45
N. All Engineering	43.05
O. Vehicles, Vehicle Parts and Transport Equipments	20.66
P. Gems and Jewellery	146.62
Q. Construction	123.81
R. Infrastructure	463.30
S. Other Industries	30.59
All Industries (A to S)	1152.24
Residuary other advances	8701.49
Gross Advances	9853.73

Exposures to Infrastructure (Transport, Energy, Water sanitation, Communication etc.) and Gems & Jewellery accounted for 4.70% and 1.49% of Gross Advances outstanding, respectively. The coverage of advances to the above 2 industries occupy the top 2 positions among the total industry sectors.

(₹ in Cr.)

Sl. No.	Industry	Gross Advance	Gross NPA	Provision
1.	Infrastructure	463.30	37.92	34.66
2.	Gems and Jewellery	146.62	0.01	0.00
3.	Construction	123.81	7.75	5.41
4.	Textiles	108.29	4.32	3.30
5.	Food Processing	92.16	10.71	7.77
Total		934.18	60.71	51.14

(d) Residual maturity breakdown of assets as on 31.03.2023:

(₹ in Cr.)

Maturity Pattern Assets	Advances (Net)	Investments (Gross)	Foreign Currency Assets
Next Day	223.47	-	35.39
2 - 7 Days	43.28	-	3.08
8 - 14 Days	89.78	-	0.42
15 - 30 Days	386.45	-	4.20
31 D - 2 M	492.60	15.02	8.40
2 - 3 Months	557.83	65.17	23.29
3 - 6 Months	1264.09	22.66	11.87
6 Months - 1 Year	1777.64	226.80	75.88
1 Year - 3 Years	1788.63	1564.90	-
3 - 5 Years	1153.31	1332.11	-
Over 5 Years	1674.43	809.97	-
Total	9451.52	4036.62	162.54

(e) Non-Performing Assets:

Sl. No.	Items	Amount in ₹ In Million 31.03.2023
1	Gross NPAs	5111.49
1.1	Substandard	460.50
1.2	Doubtful 1	187.33
1.3	Doubtful 2	1172.92
1.4	Doubtful 3	920.54
1.5	Loss	2370.20
2	Net NPAs	1092.00
3	NPA Ratios	
3.1	Gross NPAs to Gross Advances (%)	5.19%
3.2	Net NPAs to Net Advances (%)	1.16%
4	Movement of NPAs (Gross)	
4.1	Opening balance	5335.36
4.2	Additions	1001.13
4.3	Reductions	1225.00
4.4	Closing balance	5111.49
5	Movement of provisions for NPAs	
5.1	Opening balance	3003.45
5.2	Provisions made during the FY	1418.23
5.3	Reductions	412.76
5.4	Closing balance	4008.92
6	Amount of Non-Performing Investments (NPI)	899.57
7	Amount of Provisions held for NPI	899.57
8	Movement of Provisions held for NPIs	
8.1	Opening balance	934.57
8.2	Provisions made during the period	0.00
8.3	Write-off/Write back of excess provisions	35.01
8.4	Closing balance	899.57

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., ICRA, ACUITE rating & Research Ltd., Infomerics and International Credit Rating agencies, i.e., Standard and Poor, Moody's and FITCH.
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/counterparty) Ratings or Issuer (borrower-constituent/counterparty) 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	9071.49
100% risk weight	1837.28
More than 100% risk weight	798.99
Total Net Exposure	11707.76

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.
- Life Insurance Policies restricted to their surrender value.
- Debt securities rated by an approved 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, CRGFSLI, 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 31.03.2023:

Financial Risk Mitigants	Outstanding Covered by Risk Mitigants (In Cr)	Risk Concentration %
Gold	2268.63	84.51%
Cash & Deposits	411.81	15.34%
KVP/VP/NSC	1.65	0.06%
LIC Policy	2.39	0.09%
Total	2684.48	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 II 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 : ₹2684.48 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 DF-7: 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 analysed 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:

(₹ in Cr)

Particulars	Capital requirement for market risk-Standardised Duration approach 31.03.2023
Interest Rate Risk	33.56
Equity Position Risk	3.21
Foreign Exchange Risk	0.90

TABLE DF-8: 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 31.03.2023.

Earnings at Risk

Change in interest rate	Change in Nil (₹ in Cr)
± 25 bps	6.61
± 50 bps	13.22
± 75 bps	19.83
± 100 bps	26.44

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 31.03.2023	5.94%
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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, 2023 is given below.

(₹ in Million)

Particulars	Notional Amounts	Credit Equivalent
Forward Exchange Contracts	1280.31	31.22

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)	12,584.60	
2	Retained earnings	-	
3	Accumulated other comprehensive income (and other reserves)	3589.14	
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	
6	Common Equity Tier 1 Capital before regulatory adjustments	16173.74	
Common Equity Tier 1 Capital: regulatory adjustments			
7	Prudential valuation adjustments	-	
8	Goodwill (net of related tax liability)	-	
9	Intangibles other than mortgage-servicing rights (net of related tax liability) - (accumulated loss – ₹7887.97 mio, and other intangible assets – ₹331.02 mio)	8218.98	
10	Deferred Tax assets	386.44	
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)	304.76	
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	<i>of which:</i> Unamortised pension funds expenditures	0.00
	Regulatory adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-basel treatment	-
	<i>of which:</i> [INSERT TYPE OF ADJUSTMENT] For example: filtering out of unrealised losses on AFS debt securities (not relevant in Indian context)	-
	<i>of which:</i> [INSERT TYPE OF ADJUSTMENT]	-
	<i>of which:</i> [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	8605.42
29	Common Equity Tier 1 capital (CET1)	7568.32
Additional Tier 1 capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (31+32)	-
31	<i>of which:</i> classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	-
32	<i>of which:</i> 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	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-
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	-
	<i>of which:</i> Deferred Tax Assets (not associated with accumulated losses) net of Deferred Tax Liabilities	-
	<i>of which:</i> [INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are deducted from Tier 1 at 50%]	-
	<i>of which:</i> [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)	7568.32
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	300.00

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	-
50	Provisions	998.44
51	Tier 2 capital before regulatory adjustments	1,298.44
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	28.30
58	Tier 2 capital (T2)	1270.14
58a	Tier 2 capital reckoned for capital adequacy	1270.14
58b	Excess Additional Tier 1 capital reckoned as Tier 2 capital	0
58c	Total Tier 2 capital admissible for capital adequacy (58a + 58b)	1270.14
59	Total capital (TC = T1 + T2) (45 + 58c)	8838.46
	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)	71737.89
60a	of which: total credit risk weighted assets	57579.82
60b	of which: total market risk weighted assets	4709.56
60c	of which: total operational risk weighted assets	9448.50
Capital ratios		
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	10.55%
62	Tier 1 (as a percentage of risk weighted assets)	10.55%
63	Total capital (as a percentage of risk weighted assets)	12.32%
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%

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)	748.05
77	Cap on inclusion of provisions in Tier 2 under standardised approach	719.75
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	386.44
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred Tax Liability	304.76
	Total as indicated in row 10	691.19
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	719.75
	Eligible Revaluation Reserves included in Tier 2 capital	-
	Total of row 50	719.75
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)	28.30

Table DF-12: COMPOSITION OF CAPITAL – RECONCILIATION REQUIREMENT

		Balance Sheet as in financial statements
		As on reporting date, 31st March 2023 (₹ in Million)
Step 1		
A Capital & Liabilities		
i.	Paid-up Capital	2,530.12
	Reserves & Surplus	7081.38
	Minority Interest	-
	Total Capital	9611.51
ii.	Deposits	133516.49
	<i>of which:</i> Deposits from banks	130.11
	<i>of which:</i> Customer deposits	133386.39
	<i>of which:</i> Other deposits (pl. specify)	-
iii.	Borrowings	4923.79
	<i>of which:</i> From RBI	-
	<i>of which:</i> From banks	-
	<i>of which:</i> From other institutions & agencies	3423.79
	<i>of which:</i> Others - book credit balances in foreign currency minor accounts	-
	<i>Of which:</i> Tier 2 Capital instruments	1500.00
iv.	Other liabilities & provisions	3269.54
	Total	151321.32
B Assets		
i.	Cash and balances with Reserve Bank of India	8363.37
	Balance with banks and money at call and short	102.90
ii.	Investments:	38886.43
	<i>of which:</i> Government securities	33165.18
	<i>of which:</i> Other approved securities	-
	<i>of which:</i> Shares	199.81
	<i>of which:</i> Debentures & Bonds	5508.15
	<i>of which:</i> Subsidiaries/Joint Ventures/Associates	-
	<i>of which:</i> Others (Security Receipt: ₹13.28 Mio)	13.28
iii.	Loans and advances	94515.22
	<i>of which:</i> Loans and advances to banks	-
	<i>of which:</i> Loans and advances to customers	94515.22
iv.	Fixed assets	2575.74
v.	Other assets	6877.67
	<i>of which:</i> Goodwill and intangible assets	-
	<i>of which:</i> Deferred tax assets	691.19
vi.	Goodwill on consolidation	-
vii.	Debit balance in Profit & Loss account	-
	Total Assets	151321.33

*Bank has no subsidiaries

Step 2		Balance Sheet under regulatory scope of Consolidation As on reporting date, 31st March 2023 (₹ in million)	Ref. No.
A	Capital & Liabilities		
i	Paid-up Capital	2530.12	(a)
	of which : Amount eligible for CET1	2530.12	(a) (i)
	of which : Amount eligible for AT1	-	
	Reserves & Surplus	7081.38	(b)
	of which : Amount eligible for CET1	5755.66	(b) (i)
	Statutory Reserve	1303.81	(b)(ii)
	Share Premium	10054.48	(b) (iii)
	General Reserve	809.72	(b)(iv)
	Capital Reserve (excluding Revaluation Reserves)	732.66	(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	(7887.97)	(b)(vii)
	Current Financial Year Profit (Not eligible)		(b)(viii)
	Revaluation Reserve (part of Tier 2 capital at a discount of 55 percentage)	683.09	(b)(ix)
	Minority Interest	-	
	Total Capital	9611.51	(a)+(b)
ii	Deposits	133516.49	(c)
	of which: Deposits from banks	130.11	(c)(i)
	of which: Customer deposits	133386.39	(c)(ii)
	of which: Other deposits (pl. specify)	-	
iii	Borrowings	4923.79	(d)
	of which: From RBI	-	(d)(i)
	of which: From banks	-	(d)(ii)
	of which: From other institutions &	3423.79	(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	3269.54	(e)
	of which: Standard Asset provision included under Tier 2 Capital	306.89	(e)(i)
	of which : DTLs related to goodwill	-	
	of which : Details related to intangible	-	
	Total Assets	151321.33	(a)+(b)+(c)+ (d)+(e)
B	Assets		
i	Cash and balances with Reserve Bank of India	8363.37	(f)
	Balance in India with banks and money at call	102.90	(g)
ii	Investments:	38886.43	(h)
	of which: Government securities	33165.18	(h)(i)
	of which: Other approved securities	-	
	of which: Shares	199.81	(h)(ii)
	of which: Debentures & Bonds	5508.15	(h)(iii)
	of which: Subsidiaries/Joint Ventures/	-	
	of which: Others (Security Receipt: ₹13.28 Mio)	13.28	(h)(iv)
iii	Loans and advances	94515.22	(i)
	of which: Loans and advances to Banks	-	(i)(i)
	of which: Loans and advances to Customers	94515.22	(i)(ii)
iv	Fixed assets	2575.74	(j)
v	Other assets	6877.67	(k)
	of which: Goodwill and intangible assets	-	
	Out of which :		
	Goodwill	-	
	Other Intangibles (excluding MSRs)	-	
	Deferred tax assets	691.19	(k)(i)
vi	Goodwill on consolidation	-	
vii	Debit balance in Profit & Loss account	-	
	Total Assets	151321.33	(f)+(g)+(h)+ (i)+(j)+(k)

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	12,584.60	(a) + (b) (iii)
2	Retained earnings	2113.54	b (viii)
3	Accumulated other comprehensive income (and other reserves)	732.66	b(ii)+b(iv)+b(v)+b(vi)+b(ix)
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	15430.80	(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)	-	-

Step 3: Table DF-12 (Part II) extract of Basel III common disclosure template (with added column)

Table DF-13: MAIN FEATURES OF REGULATORY CAPITAL INSTRUMENTS – ELIGIBLE INSTRUMENTS

Item	Particular	Equity Shares	Lower Tier II Series XV
1	Issuer	Dhanlaxmi Bank Ltd.	Dhanlaxmi Bank Ltd.
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	680A01011	INE680A08081
3	Governing law(s) of the instrument. (Regulatory treatment)	Applicable Indian Statutory and Regulatory Requirements	Applicable Indian Statutory and Regulatory Requirements
4	Transitional Basel III rules	Common Equity Tier 1	Tier 2
5	Post-transitional Basel III rules	Common Equity Tier 1	Eligible
6	Eligible at solo/group/group & solo	Solo	Solo
7	Instrument type	Common Shares	Tier 2 Debt Instruments
8	Amount recognised in regulatory capital (₹ in million, as of most recent reporting date)	2530.12	1500.00
9	Par value of instrument	Shares of ₹10/- each	₹ 1 Million
10	Accounting classification	Shareholder's Equity	Liability
11	Original date of issuance	Various	29.03.2018
12	Perpetual or dated	Perpetual	Dated
13	Original maturity date (dd/mm/yyyy)/No maturity	No maturity	28.03.2025
14	Issuer call subject to prior supervisory approval	No	Yes, Exercise of Call Option is subject to prior approval of RBI
15	Optional call date, contingent call dates and redemption amount	NA	Bank can exercise Call Option to redeem the Bonds at par at the end of 5th Year from the Deemed Date of Allotment. Optional Call Date is 29.03.2023 and redemption amount is in full.
16	Subsequent call dates, if applicable Coupons/dividends	NA	NA
17	Fixed or floating dividend/coupon	NA	Fixed
18	Coupon rate and any related index	NA	11.00%
19	Existence of a dividend stopper	No	No

Item	Particular	Equity Shares	Lower Tier II Series XV
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Mandatory
21	Existence of step up or other incentive to redeem	No	No
22	Non-cumulative or cumulative	Non-Cumulative	Non-Cumulative
23	Convertible or non-convertible	Non-Convertible	Non-Convertible
24	If convertible, conversion trigger(s)	NA	NA
25	If convertible, fully or partially	NA	NA
26	If convertible, conversion rate	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA
30	Write-down feature	No	No
31	If write-down, write-down trigger(s)	NA	NA
32	If write-down, full or partial	NA	NA
33	If write-down, permanent or temporary	NA	NA
34	If temporary write-down, description of write-up mechanism	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated claim in case of liquidation	All Depositors and other Creditors of the Bank
36	Non-compliant transitioned features	No	No
37	If yes, specify non-compliant features	NA	NA

Table DF-14: FULL TERMS AND CONDITIONS OF REGULATORY CAPITAL INSTRUMENTS (ELIGIBLE INSTRUMENTS)

	Series XV
Nature of Instrument	##
Amount Subscribed	₹1500 million
Face value of the Bond	₹1 million
Date of Allotment	29.03.2018
Date of Redemption	29.03.2025
Put and Call option (if yes, give details)	####
Coupon rate and Frequency	11.00%, Semi Annual
Listing	NSE

Unsecured, Redeemable, Non-convertible, Subordinated Lower Tier-II Bonds in the nature of Debentures.

The Bank reserves Call Option to redeem the bonds only after a minimum period of five years post allotment of Bonds, subject to prior approval from RBI.

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 Sri K N Madhusoodanan as Chairperson and Shri Gopinathan C. K., Sri G. Rajagopalan Nair, Sri Sreesankar Radhakrishnan and Dr. Nirmala Padmanabhan are the members of the Committee as on 31.03.2023.

➤ **The terms of reference of the 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 reelection 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 extent 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;
[The committee shall ensure the following while formulating the policy on the aforesaid matters:
 - a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Management of the quality required to run the Bank successfully;
 - b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
 - c) Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Bank and its goals.]
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.

The roles and responsibilities of the Compensation & Remuneration Committee (CRC) are as follows:

- To oversee the framing, review and implementation of Compensation Policy of the Bank on behalf of the Board.
- To ensure the Cost/Income Ratio of the Bank supports the remuneration package consistent with maintenance of sound Capital Adequacy Ratio.
- To determine on their behalf and on behalf of the shareholders with agreed terms of reference, the Bank's policy on specific remuneration packages for Executive Directors including Pension rights and any compensation payment.
- For determining the modalities of providing appropriate incentives to employees, including stock options (i) to foster employee commitment and a feeling of ownership (ii) to retain employees or skill groups among them (iii) attract talented professionals (iv) to instill a sense of belonging to the Bank, among employees.

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 Chairman and Managing Director & CEO 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 No. DBOD. No.BC.72/29.67.001/2011-12 dtd. 13/01/2012 and was last reviewed on 29.08.2019.

The fixed remuneration and other allowances including retirement benefits of all subordinate, clerical and officers 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 115% 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 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 in to 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 and hence no such deferral of variable pay is being offered.
- 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, 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.

As of now, Bank is not having a variable pay structure except for MD & CEO.

Quantitative disclosures

Number of meetings held by the Nomination & Remuneration Committee during the quarter ended on March 31, 2023	4
Remuneration paid to the members of Nomination & Remuneration Committee (Sitting fees) during the Quarter ended March 31, 2023	₹5,25,000/-
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, 2023	
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 DF-17: 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	151321.32
2 Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(6881.29)
3 Adjustment for fiduciary assets recognized on the Balance Sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	(717.45)
4 Adjustments for derivative financial instruments	31.22
5 Adjustment for securities financing transactions (i.e. repos and similar secured lending)	0.00
6 Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	4170.36
7 Other adjustments	7612.68
8 Leverage ratio exposure	155536.84

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)	152052.72
2 (Asset amounts deducted in determining Basel III Tier 1 capital)	717.45
3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	151335.26
Derivative exposures	
4 Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	5.61
5 Add-on amounts for PFE associated with all derivatives transactions	25.61
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)	31.22
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	4170.36
18 (Adjustments for conversion to credit equivalent amounts)	0
19 Off-balance sheet items (sum of lines 17 and 18)	4170.36
Capital and Total exposures	
20 Tier 1 capital	7568.32
21 Total exposures (sum of lines 3, 11, 16 and 19)	155536.84
Leverage ratio	
22 Basel III leverage ratio	4.87%

Liquidity Coverage Ratio Disclosure as on March 31, 2023

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.

LCR Compliance as on March 31, 2023

LCR Calculation Methodology	RBI prescribed minimum LCR	Bank's Daily Average LCR during the Quarter ended March 31, 2023
LCR= Stock of High Quality Liquid Assets Total net cash outflows over the next 30 calendar days	100%	277.47%

Below mentioned is a position of Liquidity Coverage Ratio computed based on daily simple average for the Quarter ended March 31, 2023

(₹ in Cr)

Particulars	Daily Average during the Quarter ended 31.03.2023	
	Total Weighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets		
1 Total High Quality Liquid Assets (HQLA)		3539.41
Cash Outflows		
2 Retail deposits and deposits from small business customers, of which:	7819.35	445.97
(i) Stable deposits	6719.33	335.97
(ii) Less stable deposits	1100.02	110.00
3 Unsecured wholesale funding, of which:	1924.66	667.99
(i) Operational deposits (all counterparties)	-	-
(ii) Non-operational deposits (all counterparties)	1924.66	667.99
(iii) Unsecured debt		
4 Secured wholesale funding		63.47
5 Additional requirements, of which	-	-
(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	-	-
6 Other contractual funding obligations	489.54	103.71
7 Other contingent funding obligations	393.33	11.80
8 Total Cash Outflows		1292.94
Cash Inflows		
9 Secured lending (e.g., reverse repos)	20.12	17.35
10 Inflows from fully performing exposures	-	-
11 Other cash inflows	-	-
12 Total Cash Inflows	20.12	17.35
		Total Adjusted Value
21 TOTAL HQLA		3539.41
22 Total Net Cash Outflows		1275.60
23 Liquidity Coverage Ratio (%)		277.47%

Bank has complied with the regulatory requirements w.r.to LCR

Net Stable Funding Ratio Disclosure as on March 31, 2023

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, 2023
NSFR = $\frac{\text{Available amount of Stable funding}}{\text{Required amount of Stable funding}}$	100%	147.34%

The following table sets out the unweighted and weighted value of the NSFR components of the Dhanlaxmi Bank at March 30, 2023 (i.e. quarter-end observation).

Net Stable Funding Ratio March 31, 2023

₹ in Cr)		Unweighted value by residual maturity				Weighted Value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Items						
1	Capital: (2+3)	828.58	0	0	150.00	978.58
2	Regulatory Capital	828.58			30.00	858.58
3	Other capital instruments				120.00	120.00
4	Retail deposits and deposits from small business customers: (5+6)	4066.87	1998.34	1734.84	2528.80	9636.54
5	Stable deposits	833.65	518.70	401.72	558.56	2224.93
6	Less stable deposits	3233.32	1479.64	1333.12	1970.24	7411.61
7	Wholesale funding: (8+9)	192.77	1388.04	708.29	733.71	825.95
8	Operational deposits					
9	Other wholesale funding	192.77	1388.04	708.29	733.71	825.95
10	Other liabilities: (11+12)	801.90	0	0	0	0
11	NSFR derivative liabilities					
12	All other liabilities and equity not included in the above categories	801.90			0	0
13	Total ASF (1+4+7+10)					11441.07
RSF Items						
14	Total NSFR high quality liquid assets (HQLA)	836.33	80.85	390.68	3117.94	204.51
15	Deposits held at other financial institutions for operational purposes	2.76	-	-	-	1.38
16	Performing loans and securities: (17+18+19+21+23)		2961.02	1753.78	3612.86	5145.72
17	Performing loans to financial institutions secured by Level 1 HQLA					

Net Stable Funding Ratio March 31, 2023

	(₹ in Cr)	Unweighted value by residual maturity				Weighted Value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions		263.24	275.73		177.35
19	Performing loans to nonfinancial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:		2697.78	1478.05	2526.06	4192.72
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk				211.71	137.61
21	Performing residential mortgages, of which:				740.66	481.43
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk				740.66	481.43
23	Securities that are not in default and do not qualify as HQLA, including exchange traded equities				346.14	294.22
24	Other assets: (sum of rows 25 to 29)				2375.91	2375.91
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				2375.91	2375.91
30	Off-balance sheet items				910.79	37.63
31	Total RSF (14+15+16+24+30)	839.09	3041.87	2144.46	10017.50	7765.15
32	Net Stable Funding Ratio (%)					147.34%

Bank has complied with the regulatory requirements w.r.to NSFR.



*Expanding
horizons*



New Branch @ Karimnagar



New Branch @ Mattanur



New Branch @ Koyilandy



New Branch @ Tirunelveli.



New Branch @ Cherpulassery

Extending care

DhanlaxmiBank
established 1927

Banking on Relationships forever

CSR Initiatives for the Financial Year 2022-23

Dhanlaxmi Bank Corporate Office:
Support for providing free medicines to renal patients



Under this project, Bank provided free medicines to renal patients, those who are on dialysis and taking medicines post renal transplant. Bank directly implemented this project with the support of Thrissur Pain and palliative Care society.

Kalparamba Branch:
Facility Upgradation for CDS Poomangalam for livelihood enhancement and Women's Health



Under this Project, Bank provided office upgradation facilities to CDS Poomangalam Panchayath for livelihood enhancement of their members Shri Shaju K M, Chief Manager, Thrissur Regional Office handing over the documents related to the project to CDS Authorities

Round south Branch:
Water Cooler provided to Govt Model higher Secondary School for Boys, Thrissur



In this project, Bank provided Water Cooler to Govt Model Higher Secondary School for Boys, Thrissur for Safe Drinking water to students, teachers and other staff members

High Road Branch: Thrissur
Distribution of Dhanlaxmi Bank-Devamatha -ACMI Scholarship with the support of Devamatha School/Kuriakose Elias Service Society



As part of Promoting Education, Bank provided Scholarships to 64 students. Bank implemented this project directly in co ordination with Devamatha School, Kuriakose Elias Service Society, Thrissur

Rameswaram Branch:
Dhanlaxmi Bank - Amrita Vidyalayam - VIDYALAYA PURASKAR – 2023 @ Rameswaram



Under this project, Bank supported 19 students from different categories with Scholarships. Further Bank provided educational materials to the students of Amritha School, from economically weaker section.

Thrissur Regional Office:
Promotion of Sports – An initiative to support little Talented Champions – Supply of Sports Kit



As Part of Bank's CSR initiative for promotion of sports, Bank given sports kit to three junior cricket players (Under 13 Category) selected by Thrissur District Cricket Association. Shri Anup Nair, Regional Head, Thrissur Handed over the Sports kit to these little Champions in the presence of Thrissur District Cricket Association officials.

Ollur Branch: Bank's Healthcare initiative at St. Vincent De Paul Hospital, Ollur



Under this project Bank Supported, St. Vincent De Paul Hospital Ollur for purchasing an ICU Patient monitoring system. to provide treatment facilities to common people.

Thanjavur Branch



Supply of Educational Materials, and Water Purifier to Govt Blind School Thanjavur. Distribution of Books and Meritorious Award for School Children at Govt School Thanjavur

**Thiruvananthapuram Regional Office
Hearing Aid Distribution to people who are suffering
Hearing impairedness**



Under this project, Bank provided "KELTRON" 10 Channel programmable digital hearing aid" to beneficiaries selected with the support of Thiruvananthapuram District Health Department Authorities. Smt. Veena George, Hon. Minister for Health and Woman & Child Development Govt. of Kerala inaugurated the function

**Aryanad Branch:
Study material distribution at Balasabha 2022**



In this project Bank Distributed of study materials to students in association with CDS Kudumbasree of Aryanad Grama Panchayath

**Kannur Branch: Bank's Corporate Social Responsibility
Support to Holy Mount Mercy Village, Kannur**



Bank provided wooden coats, bed sheets and 100 pillows to inmates of Holy Mount Mental Rehabilitation Center, Kannur

**Thottippal Branch: Facility Upgradation to CDS Parappukkara
Grama Panchayath for livelihood enhancement and Women
Empowerment**



Under this Project, Bank provided office upgradation facilities to CDS Poomangalam Panchayath for livelihood enhancement of their members

**Aluva branch: Education facility Upgradations for Schools
Under Gitabhavan Trust- Vidyadhiraja Vidya Bhavan Higher
Secondary School (VVBHSS) and Swamy Gopalananda
Theeratha Saraswathy Vidya Nikethan , Nochima**



In this project, Bank provided Computers to Vidyadhiraja Vidya Bhavan Higher Secondary School (VVBHSS) and Swamy Gopalananda Theeratha Saraswathy Vidya Nikethan , Nochima.



Sponsorship of Solar Power System to Seva Sadanam Thrissur.

Energizing events



Handing over Organ Donation Consent from Staff of Dhanlaxmi Bank to Thrissur District Collector-Smt Haritha V.



With the Team of Pain & Palliative Care Thrissur.



Yoga Day...



Women's Day.....





A green initiative by Hyderabad Region on 96th Foundation Day.



Welcoming Thirissur District Collector to Corporate Office Thirissur on 96th Foundation Day.



Inauguration of Bank's Agriculture Club



A session by Dr. Ajini to Bank's lady staff on well being of Women's Health.



Staff @ Corporate Office Thirissur

राष्ट्रव्यापी सघन जागरूकता कार्यक्रम, 2022
NATIONWIDE INTENSIVE AWARENESS PROGRAMME, 2022
01.11.2022 to 30.11.2022



Nationwide intensive awareness programme, 2022 - Delhi

*Empowering
Others*



Integrated Ombudsman Safebanking Practices - Cherpu - 09/11/2022



Awareness Program Palluruthy Branch - 25/11/2022



Awareness Program - Perunna - 09/11/2022



Financial Literacy Camp- Maranchery - 05/11/2022



Digital Awareness - Chennai - 15/11/2022



Digital Awareness Program Vidyadhiraja Vidya Bhavan - Aluva - 17/11/2022



Awareness Program NSS Taluk - Neyyattinkara - 15/11/2022



Awareness Program Palakkal - 30/11/2022



Intensive Awareness Program SHG Members - 17/11/2022



MGNREGS - Thalayolaparambu - 26/11/2022



Intensive Awareness Program - SHG/SHG Member Vellarikundu

Enriching moments



In the presence of Former President of India Shri. Ram Nath Kovind - State forum of Banker's Club Kerala



Bank's top executives receiving the APY Annual Awards.



Enabling each other



DhanlaxmiBank 
established 1927

Banking on Relationships forever

Corporate Office

Dhanlaxmi Bank Ltd.

Corporate Office, Punkunnam
Thrissur, Kerala 680 002.

Registered Office

Dhanlaxmi Bank Ltd.

Dhanalakshmi Buildings, Naickanal
Thrissur, Kerala 680 001.