

DhanlaxmiBank

DHANLAXMI BANK LIMITED.

Registered & Corporate Office: P. B No.9, Dhanalakshmi Buildings,

Naickanal, Thrissur – 680 001

CIN: L65191KL1927PLC000307

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2019

(Rs in Lakh)

| Particulars | Quarter ended | | | Half year ended | | Year ended |
|--|---------------|-----------|-----------|-----------------|-----------|------------|
| | 30-Sep-19 | 30-Jun-19 | 30-Sep-18 | 30-Sep-19 | 30-Sep-18 | 31-Mar-19 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1. Interest earned (a)+(b)+(c)+(d) | 25334 | 24043 | 24464 | 49377 | 48456 | 97149 |
| (a) Interest/discount on advances/bills | 18016 | 16528 | 15605 | 34544 | 31157 | 63403 |
| (b) Income on investments | 6769 | 7044 | 8174 | 13813 | 15902 | 30883 |
| (c) Interest on balances with Reserve Bank of India and other interbank funds | 157 | 87 | 243 | 244 | 487 | 1164 |
| (d) Others | 392 | 384 | 443 | 776 | 910 | 1699 |
| 2. Other income | 2351 | 1632 | (1792) | 3983 | (147) | 5273 |
| 3. Total Income (1 + 2) | 27685 | 25675 | 22673 | 53360 | 48309 | 102422 |
| 4. Interest expended | 15269 | 15034 | 15721 | 30303 | 31599 | 62472 |
| 5. Operating expenses (a) + (b) | 7671 | 7730 | 7555 | 15401 | 15312 | 30458 |
| (a) Employees cost | 4232 | 4289 | 4229 | 8521 | 8515 | 16143 |
| (b) Other operating expenses | 3439 | 3441 | 3327 | 6880 | 6797 | 14315 |
| 6. Total Expenditure (4+5) (excluding provisions and contingencies) | 22940 | 22764 | 23277 | 45704 | 46911 | 92930 |
| 7. Operating Profit(+)/Loss(-) before provisions and contingencies (3-6) | 4745 | 2911 | (604) | 7656 | 1398 | 9493 |
| 8. Provisions (other than tax) and Contingencies | 2538 | 927 | (1819) | 3465 | 4682 | 8326 |
| 9. Exceptional items | - | - | - | - | - | - |



| | | | | | | |
|--|--------|--------|---------|--------|---------|--------|
| 10. Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9) | 2207 | 1984 | 1215 | 4191 | (3284) | 1167 |
| 11. Tax expense | - | - | - | - | - | - |
| 12. Net Profit(+)/Loss (-) from Ordinary Activities after tax (10-11) | 2207 | 1984 | 1215 | 4191 | (3284) | 1167 |
| 13. Extraordinary items (net of tax expense) | - | - | - | - | - | - |
| 14. Net Profit (+)/Loss (-) for the period (12-13) | 2207 | 1984 | 1215 | 4191 | (3284) | 1167 |
| 15. Paid-up equity share capital (Face value Rs.10) | 25301 | 25301 | 25301 | 25301 | 25301 | 25301 |
| 16. Reserves excluding Revaluation Reserves(as per balance sheet of previous accounting year) | | | | | | 36844 |
| 17. Analytical Ratios | | | | | | |
| (i) Percentage of share holding of Government of India | Nil | Nil | Nil | Nil | Nil | Nil |
| (ii) Capital Adequacy Ratio as per Basel III | 13.77% | 13.85% | 14.16% | 13.77% | 14.16% | 13.75% |
| (iii) Earnings Per Share(EPS) in Rupees | | | | | | |
| -Basic EPS (Before and after Extra ordinary items) | 0.87* | 0.78* | 0.48* | 1.66* | (1.30)* | 0.46 |
| -Diluted EPS (Before and after Extra ordinary items) | 0.87* | 0.78 | 0.48* | 1.66* | (1.30)* | 0.46 |
| (iv) NPA Ratios | | | | | | |
| - Gross NPA | 47608 | 49648 | 48874 | 47608 | 48874 | 49584 |
| - Net NPA | 10534 | 14520 | 17354 | 10534 | 17354 | 15171 |
| - % of Gross NPA | 7.06% | 7.61% | 7.81% | 7.06% | 7.81% | 7.47% |
| - % of Net NPA | 1.65% | 2.35% | 2.92% | 1.65% | 2.92% | 2.41% |
| (v) Return on Assets (average) - (Annualized) | 0.71% | 0.68% | (0.55%) | 0.71% | (0.55%) | 0.10% |

*Not Annualized

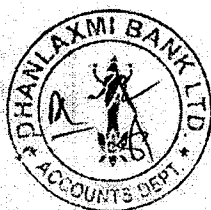


SEGMENTWISE RESULTS

Part A: Business Segments

(Rs in Lakh)

| Particulars | Quarter ended | | | Half year ended | | Year ended |
|---|----------------|----------------|----------------|-----------------|----------------|----------------|
| | 30-Sep-19 | 30-Jun-19 | 30-Sep-18 | 30-Sep-19 | 30-Sep-18 | 31-Mar-19 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1. Segment Revenue | | | | | | |
| (a) Treasury | 7495 | 7285 | 4795 | 14780 | 12852 | 28842 |
| (b) Retail Banking | 11592 | 10175 | 11701 | 21767 | 20604 | 39041 |
| (c) Corporate/ Wholesale Banking | 8598 | 8215 | 6177 | 16813 | 14853 | 34539 |
| (d) Other Banking Operations | - | - | - | - | - | - |
| (e) Unallocated | - | - | - | - | - | - |
| Total Revenue | 27685 | 25675 | 22673 | 53360 | 48309 | 102422 |
| Less: Inter-Segment Revenue | - | - | - | - | - | - |
| Income from Operations | 27685 | 25675 | 22673 | 53360 | 48309 | 102422 |
| 2. Segment Results (Net of Provisions) | | | | | | |
| (a) Treasury | 2230 | 1683 | (1057) | 3913 | 216 | 5854 |
| (b) Retail Banking | 2053 | 1251 | 723 | 3304 | 1560 | 4112 |
| (c) Corporate/ Wholesale Banking | 462 | (23) | (271) | 439 | (378) | (473) |
| (d) Other Banking Operations | - | - | - | - | - | - |
| (e) Unallocated | - | - | - | - | - | - |
| Total | 4745 | 2911 | (604) | 7656 | 1398 | 9493 |
| Less: (i) Interest | - | - | - | - | - | - |
| (ii) Other Un-allocable Expenditure net-off | 2538 | 927 | (1819) | 3465 | 4682 | 8326 |
| (iii) Un-allocable income | - | - | - | - | - | - |
| Profit (+)/Loss(-) before tax | 2207 | 1984 | 1215 | 4191 | (3284) | 1167 |
| 3. Segment Assets | | | | | | |
| (a) Treasury | 425293 | 435279 | 480460 | 425293 | 480460 | 431489 |
| (b) Retail Banking | 401815 | 378075 | 394546 | 401815 | 394546 | 369510 |
| (c) Corporate/ Wholesale Banking | 356327 | 348992 | 315537 | 356327 | 315537 | 370398 |
| (d) Other Banking Operations | - | - | - | - | - | - |
| (e) Unallocated | 8519 | 8494 | 6612 | 8519 | 6612 | 8492 |
| Total | 1191954 | 1170840 | 1197155 | 1191954 | 1197155 | 1179889 |



| | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| 4. Segment Liabilities | | | | | | |
| (a) Treasury | 389455 | 399157 | 443910 | 389455 | 443910 | 401433 |
| (b) Retail Banking | 382763 | 360665 | 378710 | 382763 | 378710 | 350750 |
| (c) Corporate/ Wholesale Banking | 339431 | 332921 | 302872 | 339431 | 302872 | 351593 |
| (d) Other Banking Operations | | - | - | | - | - |
| (e) Unallocated | | - | - | | - | - |
| Total | 1111649 | 1092743 | 1125492 | 1111649 | 1125492 | 1103776 |
| 5. Capital Employed (Segment Assets- Segment Liabilities) | | | | | | |
| (a) Treasury | 35838 | 36122 | 36550 | 35838 | 36550 | 30056 |
| (b) Retail Banking | 19052 | 17410 | 15836 | 19052 | 15836 | 18760 |
| (c) Corporate/ Wholesale Banking | 16896 | 16071 | 12665 | 16896 | 12665 | 18805 |
| (d) Other Banking Operations | | - | - | | - | - |
| (e) Unallocated | 8519 | 8494 | 6612 | 8519 | 6612 | 8492 |
| Total | 80305 | 78097 | 71663 | 80305 | 71663 | 76113 |

Business Segments have been identified and reported taking into account the target customer profile, the nature of products and services, the differing risks and returns, the organization structure, the internal business reporting system and the guidelines prescribed by Reserve Bank of India.

Part B: Geographical segments

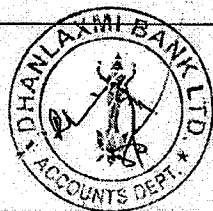
The Bank has only the domestic geographic segment.

Notes

1. Statement of Assets and Liabilities as on 30th September 2019:

(Rs. In Lakh)

| Particulars | 30.09.2019 | 30.09.2018 | 31.03.2019 |
|---|----------------|----------------|----------------|
| | Unaudited | Unaudited | Audited |
| Capital and Liabilities | | | |
| Capital | 25301 | 25301 | 25301 |
| Reserves and Surplus | 55003 | 46361 | 50812 |
| Deposits | 1068485 | 1081678 | 1060332 |
| Borrowings | 18250 | 20140 | 20040 |
| Other Liabilities and Provisions | 24914 | 23674 | 23404 |
| Total | 1191953 | 1197154 | 1179889 |
| Assets | | | |
| Cash and Balances with Reserve Bank of India | 61673 | 60800 | 55744 |
| Balances with Bank and Money at Call and Short Notice | 15731 | 19783 | 6584 |
| Investments | 388792 | 432146 | 403670 |
| Advances | 636844 | 594057 | 628928 |
| Fixed Assets | 20931 | 20063 | 20202 |
| Other Assets | 67982 | 70305 | 64761 |
| Total | 1191953 | 1197154 | 1179889 |



2. Summarised statement of Cash Flows for the half year ended 30th September:

| | (Rs. in lakh) | |
|--|---------------|------------|
| | 30.09.2019 | 30.09.2018 |
| | Unaudited | Unaudited |
| Cash flows from operating activities | 18179 | 3084 |
| Cash flows from/(used in) investing activities | (1312.00) | (282.00) |
| Cash flows from/(used in) financing activities | (1790.00) | (9380.00) |
| Net increase/(decrease) in cash and cash equivalents | 15077 | (6578.00) |
| Cash and cash equivalents as at beginning of the period/year | 62328 | 87161 |
| Cash and cash equivalents as at the end of the period/year | 77405 | 80583 |

- 3 The above unaudited financial results for the quarter ended 30th September 2019 were reviewed by the Audit Committee and recommended for approval to and approved by the Board of Directors at its meeting held on October 31, 2019. These Results have been subjected to "Limited Review" by the Statutory Auditors of the Bank and an unqualified report has been issued by them.
- 4 The working results for the quarter ended 30th September, 2019 have been arrived at after making usual and necessary provisions on current estimates and will be revised based on year end financials. Provisions for Non-Performing Assets, Standard Assets, restructured advances, exposures to entities with un-hedged foreign currency exposure, additional provision for stressed sectors, Non-Performing Investments and Depreciation on Investments are arrived as per the guidelines and prudential norms issued by the Reserve Bank of India.
- 5 The Bank has followed the same significant accounting policies in the preparation of quarterly financial results as those followed in the annual financial statements for the year ended 31st March 2019.
- 6 In terms of RBI circular no. FMRD.DIRD.10/14.03.002/2015-16 dated 19th May, 2016, repo and reverse repo transactions with RBI under LAF/MSF are accounted for as borrowing and lending respectively as against the earlier practice of including the same under Investments. Previous period figures have been regrouped and reclassified to conform to current period's classification. The aforesaid change has no impact on the profit/(loss) of the bank for the period presented.
- 7 In accordance with RBI circular DBR No BP.BC.1/21.06.201/2015-16 dated 1st July 2015 banks are required to make quarterly Pillar 3 disclosures under Basel III Capital Regulations. The Bank has made these disclosures which are available in its website at the following link: http://www.dhanbank.com/investor_relations/inv_basel.aspx. These disclosures have not been subjected to Review by the Statutory Auditors.
- 8 RBI Circular DBR. No.BP.BC.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, provided there is no delay in reporting. Bank had exercised this option in respect of an advance with outstanding balance of Rs.34.94 crores declared as fraud during the quarter ended 30th June 2019, against which provision of Rs.12.74 crores was held as at the beginning of the year. During the nine quarter bank provided Rs.5.55 crores, being 1/4th of the additional provision required to be made over and above NPA provisions held. During this quarter, Bank has made full provision for the balance of Rs.16.65 crores.



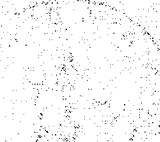
- 9 The existing Deferred Tax Assets (DTA) amount of Rs.37.06 crores was reviewed and it has been decided to retain the same based on current estimates.
- 10 In Accordance with the Taxation Law (Amendment) Ordinance, 2019 promulgated on September 20, 2019, a decision is yet to be taken on whether to opt for a lower tax rate or to continue with the existing rate in view of the carry forward losses and consequential impact will be considered later.
- 11 Other Income includes fees earned from services to customers, commission from non-fund based banking activities, earnings from foreign exchange transactions, selling of third party products, profit /loss on sale of investments (Net) and recoveries from written off accounts.
- 12 Investor complaints – Pending at the beginning of the quarter – Nil
Received during the quarter – Nil
Disposed during the quarter – Nil
Unresolved at the end of quarter – Nil
- 13 Provision Coverage Ratio as on 30-09-2019 is 89.16 %.
- 14 Figures for the quarter ended 30th September in each of the years are the balancing figures between the figures in respect of half year and the published figures up to the end of the first quarter of the respective financial year which was subjected to limited review.
- 15 The figures for the previous period's/year have been re-grouped/re-arranged wherever necessary to conform to the current period's classification. The figure for the quarter/ half-year ended September 30, 2018, year ended March 31, 2019 and quarter ended June 30, 2019 were reviewed/audited by the previous statutory auditor.

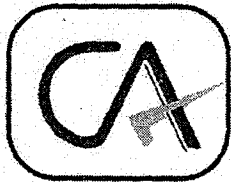
Place: Thiruvananthapuram
Date: 31st October, 2019.

By Order of the Board



(T. Latha)
Managing Director & CEO
(DIN: 07491803)





P.B. Vijayaraghavan & Co.,

Chartered Accountants

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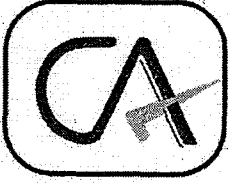
Limited Review Report on unaudited financial results of The Dhanlaxmi Bank Limited for quarter ended 30th September 2019, pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

To the Board of Directors of

The Dhanlaxmi Bank Limited.

1. We have reviewed the accompanying statement of unaudited financial results of The Dhanlaxmi Bank Limited ('the Bank') for the quarter ended 30th September, 2019 ('the Statement') attached herewith, being submitted by the Bank pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, except for the disclosures relating to Pillar 3 disclosure under Basel III Capital Regulations as at 30th September 2019, including Leverage Ratio and Liquidity Coverage Ratio as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid Statement, which have not been reviewed by us.
2. This statement is the responsibility of the Bank's Management and has been approved by the Board of Directors. The Statement has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard-25 'Interim Financial Reporting' (AS-25), prescribed under section 133 of the Companies Act, 2013, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time, SEBI circular CIR/CFD/CMD1/44/2019 dated 29th March, 2019 and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statements based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Bank's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.





P.B. Vijayaraghavan & Co.,

Chartered Accountants .

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4. Our review primarily is conducted on the basis of review of the books of account and records of the Bank. We have also relied on the information and explanations furnished to us by the Bank and the returns as considered necessary by us for the review.
5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters
6. Without qualifying our conclusion, we draw our attention to Note no 9 of the statement regarding retention of Deferred Tax Asset amounting to Rs. 37.06 crores.
7. The review of unaudited quarterly/half yearly financial results ended 30th September 2018, audit of financial results for the year ended 31st March 2019 and unaudited quarterly financial year ended 30th June 2019 included in the Statement was carried out and reported by previous auditor who has expressed unmodified conclusion vide review report dated 02nd November 2018, unmodified opinion vide audit report dated 8th May 2019 and review report dated 17th July 2019 respectively, whose reports have been furnished to us and which have been relied upon by us for the purpose of our review of the Statement. Our conclusion is not modified in respect of this matter.
8. The figures related to cash flow statement for the comparative period ended 30th September 2018 is neither audited nor reviewed.

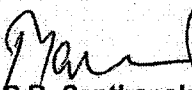

Place: Thiruvananthapuram

Date: 31st October, 2019

P. B. Vijayaraghavan & Co.,

Chartered Accountants

FRN: 004721S

P.B. Santhanakrishnan

Partner

M. No. 020309

UDIN: 19020309AAAED5101