

SH:53 / 2022-23

August 08, 2022

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

**Sub: Unaudited Financial Results for the Quarter ended June 30, 2022**

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Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the unaudited financial results for the quarter ended June 30, 2022, along with the limited review report on the same. The results/report were approved and taken on record by the Board of Directors at its meeting held on August 08, 2022.

The Board approved the results at <sup>04.15</sup> P.M.

Please take the same on record.

Thanking you,

Yours faithfully,



Venkatesh. H  
Company Secretary & Secretary to the Board



Independent Auditors' Limited Review Report on Unaudited Financial Results of Dhanlaxmi Bank Limited for the quarter ended June 30, 2022 pursuant to Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (as amended).

To the Board of Directors of Dhanlaxmi Bank Limited

1. We have reviewed the accompanying Statement of Unaudited Financial Results of Dhanlaxmi Bank Limited ('the Bank') for the quarter ended June 30, 2022 ('the Statement') attached herewith, being submitted by the Bank pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, as amended ('the Regulations') except for the disclosures relating to Pillar 3 disclosure as at June 30, 2022 including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid Statement and have not been reviewed by us. This Statement is the responsibility of the Bank's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. This statement, which is the responsibility of the Bank's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" ("AS 25"), as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, 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 ("RBI Guidelines") and other accounting principles generally accepted in India.

BRANCHES AT  
2B, Aashiyana, Paliyam Road, Thrissur - 680001  
105 Sindhu Baravi, Whitefield Main Road, Bangalore - 560 066

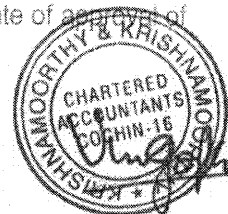




3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statements is free of material misstatement. A review is limited primarily to inquiries of bank 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.
4. 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 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended 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.

#### Emphasis of Matter Paragraph

5. We draw attention to note no. 5 of the statement regarding impact of COVID-19 pandemic on Bank's operations and financial results, this assessment and the outcome of the pandemic is as made by the management and is highly dependent on the circumstances as they evolve in the subsequent periods. The Bank is continuously monitoring the economic conditions and any impact on the Bank's operations and financial results is uncertain as on the date of approval of these financial results.





6. We draw attention to note no. 8 of the statement regarding amortization of additional liability on account of revision in family pension amounting to Rs. 1429 Lakhs. As stated therein, the bank has charged an amount of Rs. 71 Lakhs to the profit and loss account for the quarter ended June 30, 2022 and the balance unamortized expenditure of Rs. Rs.1072 Lakhs has been carried forward. Had the bank charged the entire additional liability to the profit and loss account, the loss for the quarter ended June 30, 2022 would have been higher by a sum of Rs.1072 Lakhs.
7. We draw attention to note no. 9 of the statement regarding allocation of provision for frauds over a period of four quarters in respect of an advance with outstanding balance of Rs. 7298 Lakhs declared as fraud during the quarter ended June 30, 2022, against which provision of Rs.2919 Lakhs was held as at the beginning of the year. As stated therein, the bank has charged an amount of Rs. 1095 Lakhs to the profit and loss account for the quarter ended June 30, 2022 being 1/4<sup>th</sup> of the additional provision required to be made. Had the bank charged the entire provision to the profit and loss account, the loss for the quarter ended June 30, 2022 would have been higher by a sum of Rs. 3284 Lakhs.

Our conclusion on the Statement is not modified in respect of these matters.





**Other Matters**

8. The review of unaudited quarterly financial results for the quarter ended June 30<sup>th</sup>, 2021 included in the Statement were carried out and reported by predecessor auditors who have expressed unmodified opinion vide review report dated July 28<sup>th</sup>, 2021.

Our conclusion on the Statement is not modified in respect of this matter.

For Krishnamoorthy & Krishnamoorthy  
Chartered Accountants  
Firm Registration No.001488S

R. Venugopal

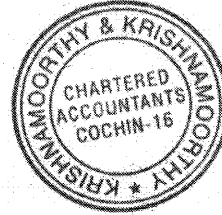
Partner

Membership No: 202632

UDIN: 22202632AONITV2210

Place: Thrissur

Date: August 8, 2022

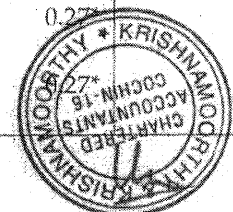
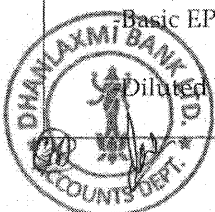


DHANLAXMI BANK LIMITED.  
Registered Office: P. B No.9, Dhanalakshmi Buildings,  
Naickanal, Thrissur – 680 001  
CIN: L65191KL1927PLC000307

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2022**

(Rs in Lakh)

Particulars	Quarter ended			Year ended
	30-Jun-22	31-Mar-22	30-Jun-21	31-Mar-22
	Unaudited	Audited	Unaudited	Audited
1. Interest earned (a)+(b)+(c)+(d)	25837	23491	21811	91664
(a) Interest/discount on advances/bills	19704	16977	15507	65012
(b) Income on investments	5908	6177	5650	24563
(c) Interest on balances with Reserve Bank of India and other interbank funds	29	111	396	1143
(d) Others	196	226	257	946
2. Other income	(2155)	6867	2813	16912
<b>3. Total Income ( 1 + 2)</b>	<b>23682</b>	<b>30358</b>	<b>24623</b>	<b>108576</b>
4. Interest expended	14107	13849	13860	55432
5. Operating expenses (a) + (b)	10077	10147	9153	39714
(a) Employees cost	6014	5714	5475	23461
(b) Other operating expenses	4063	4433	3678	16253
6. Total Expenditure (4+5) (excluding provisions and contingencies)	24184	23996	23013	95146
7. Operating Profit(+)/Loss(-) before provisions and contingencies (3-6)	(502)	6362	1610	13430
8. Provisions (other than tax) and Contingencies	2141	3901	931	9721
9. Exceptional items	-	-	-	-
10. Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9)	(2643)	2461	679	3709
11. Tax expense	-	119	-	119
12. Net Profit(+)/Loss (-) from Ordinary Activities after tax (10-11)	(2643)	2342	679	3590
13. Extraordinary items (net of tax expense)	-	-	-	-
14. Net Profit (+)/Loss (-) for the period (12-13)	(2643)	2342	679	3590
15. Paid-up equity share capital (Face value Rs.10)	25301	25301	25301	25301
16. Reserves excluding Revaluation Reserves( as per balance sheet of previous accounting year)				50892
<b>17. Analytical Ratios</b>				
(i) Percentage of shareholding of Government of India	Nil	Nil	Nil	Nil
(ii) Capital Adequacy Ratio as per Basel III	12.19%	12.98%	14.57%	12.98%
(iii) Earnings Per Share(EPS) in Rupees				
Basic EPS (Before and after Extra ordinary items)	(1.04)*	0.93*	0.27*	1.42
Diluted EPS (Before and after Extra ordinary items)	(1.04)*	0.93*		1.42



(iv) NPA Ratios				
- Gross NPA	55382	53354	64153	53354
- Net NPA	22603	23216	30086	23216
- % of Gross NPA	6.35%	6.32%	9.27%	6.32%
- % of Net NPA	2.69%	2.85%	4.58%	2.85%
(v) Return on Assets (average) – (Annualized)	(0.76%)	0.27%	0.21%	0.27%
(vi) Net Worth	65089	67663	64826	67663
(vii) Debt Equity Ratio (in times)**	0.23	0.22	0.23	0.22
(viii) Total Debts to Total Assets***	3.21%	1.09%	1.16%	1.09%

\*Not Annualized

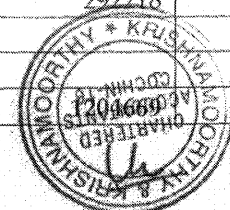
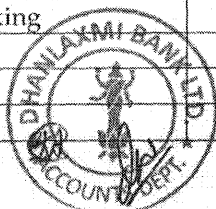
\*\*Debt represents borrowings with residual maturity of more than one year.

\*\*\*Total debts represent total borrowings of the bank.

## SEGMENTWISE RESULTS

### Part A: Business Segments

Particulars	(Rs in Lakh)			
	Quarter ended		Year ended	
	30-Jun-22	31-Mar-22	30-Jun-21	31-Mar-22
	Unaudited	Audited	Unaudited	Audited
<b>1. Segment Revenue</b>				
(a) Treasury	1624	10219	7623	33892
(b) Retail Banking	12930	10387	10644	41768
(c) Corporate/ Wholesale Banking	9128	9752	6356	32916
(d) Other Banking Operations	-	-	-	-
(e) Unallocated	-	-	-	-
<b>Total Revenue</b>	<b>23682</b>	<b>30358</b>	<b>24623</b>	<b>108576</b>
Less: Inter-Segment Revenue	-	-	-	-
<b>Income from Operations</b>		<b>30358</b>	<b>24623</b>	<b>108576</b>
<b>2. Segment Results(Net of Provisions)</b>				
(a) Treasury	(2899)	8270	2285	16393
(b) Retail Banking	1877	(377)	(132)	568
(c) Corporate/ Wholesale Banking	520	(1531)	(543)	(3531)
(d) Other Banking Operations	-	-	-	-
(e) Unallocated	-	-	-	-
<b>Total</b>	<b>(502)</b>	<b>6362</b>	<b>1610</b>	<b>13430</b>
Less :(i) Interest	-	-	-	-
(ii) Other Un-allocable Expenditure net-off	2141	3901	931	9721
(iii) Un-allocable income	-	-	-	-
<b>Profit (+)/Loss(-) before tax</b>	<b>(2643)</b>	<b>2461</b>	<b>679</b>	<b>3709</b>
<b>3. Segment Assets</b>				
(a) Treasury	438871	429136	505196	429136
(b) Retail Banking	544185	498973	473414	498973
(c) Corporate/ Wholesale Banking	423771	441423	303056	441423
(d) Other Banking Operations	-	-	-	-
(e) Unallocated	10095	10044	10091	10044
<b>Total</b>	<b>1416922</b>	<b>1379576</b>	<b>1291757</b>	<b>1379576</b>
<b>4. Segment Liabilities</b>				
(a) Treasury	423830	393058	455968	393058
(b) Retail Banking	509204	475691	456483	475691
(c) Corporate/ Wholesale Banking	396531	420826	292218	420826
(d) Other Banking Operations	-	-	-	-
(e) Unallocated	-	-	-	-
<b>Total</b>	<b>1329565</b>	<b>1289575</b>	<b>1209669</b>	<b>1289575</b>



5. Capital Employed (Segment Assets-Segment Liabilities)				
(a) Treasury	15041	36078	49228	36078
(b) Retail Banking	34981	23282	16931	23282
(c) Corporate/ Wholesale Banking	27240	20597	10838	20597
(d) Other Banking Operations	-	-	-	-
(e) Unallocated	10095	10044	10091	10044
<b>Total</b>	<b>87357</b>	<b>90001</b>	<b>87088</b>	<b>90001</b>

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

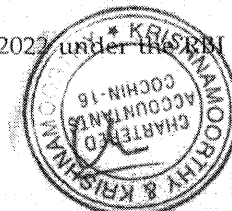
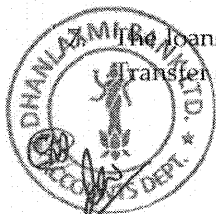
1. The above unaudited financial results for the quarter ended 30<sup>th</sup> June 2022 were reviewed by the Audit Committee and recommended for approval to and approved by the Board of Directors at its meeting held on August 8, 2022. These Results have been subjected to "Limited Review" by the Statutory Auditors of the Bank and an unqualified report has been issued by them.
2. The working results for the quarter ended 30<sup>th</sup> June, 2022 have been arrived at after making provision for tax, if any, and other usual and necessary provisions on current estimates and will be revised based on the year end financials.

Provisions for Non-Performing Assets, Standard Assets, restructured advances, exposures to entities with unhedged 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.

3. 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 31<sup>st</sup> March 2022.
4. In accordance with RBI Circular DBR.No.BP.BC.1/21.06.201/2015-16 on Basel III Capital Regulations dated July 01, 2015, RBI Circular DBR.No.BP.BC.80/21.06.201/2014-15 dated March 31, 2015 - 'Prudential Guidelines on Capital Adequacy and Liquidity Standards - Amendments' and RBI Circular DBR.BP.BC.No.106/21.04.098/2017-18 dated May 17, 2018 - 'Basel III Framework on Liquidity Standards – Net Stable Funding Ratio (NSFR) – Final Guidelines', Banks are required to make Pillar 3 disclosure requirements including Leverage Ratio disclosure requirements that are to be made along with the publication of Financial Results. 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](http://www.dhanbank.com/investor_relations/inv_basel.aspx). These disclosures have not been subjected to Audit/Review by the Statutory Auditors.

5. On account of uncertainties arising from the COVID-19 pandemic across the world and in India, the extent to which the same will impact the Bank's operations and financial position will depend on various aspects including actions taken to mitigate its impact and other regulatory measures. Despite these conditions, there is not likely to be any significant impact in the liquidity position of the Bank.
6. The Deferred Tax Asset ('DTA') of Rs. 5013 lakhs has been retained on a conservative approach.



No loans transferred/ acquired during the financial year ended June 30, 2022 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 is Nil.



8. Reserve Bank of India vide letter dated October 4, 2021 has permitted all member banks of Indian Banks' Association covered under the 11<sup>th</sup> 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 Rs. 1429 Lakhs 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 Rs. 71 Lakhs has been written off during the quarter ended June 30, 2022 in respect of the said estimated additional liability and the balance amounting to Rs.1072 Lakhs has been carried forward as unamortized expenditure.
9. 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. Bank had exercised this option in respect of an advance with outstanding balance of Rs.7298 lakhs declared as fraud during the quarter ended June 30, 2022, against which provision of Rs.2919 lakhs was held as at the beginning of the year. During the quarter ended June 30, 2022, bank provided Rs.1095 lakhs, being 1/4th of the additional provision required to be made over and above NPA provisions held. Consequently, if the entire provision as above is made during the current quarter, the net loss for the quarter would have been higher by a sum of Rs.3284 Lakhs.
10. For the purpose of the disclosure under Accounting Standard 17 - Segment Reporting, issued by the Institute of Chartered Accountants of India (ICAI), 'Digital Banking' has been identified as a sub segment under the existing 'Retail Banking' segment. Bank has not set up separate 'Digital Banking Unit' (DBU) as on 30<sup>th</sup> June 2022 as per RBI circular No. RBI/2022-23/19 DOR AUT.REC.12/22.01.001/2022-23 dated April 7 2022 and existing digital banking products are forming part of 'Retail Banking' segment only.
11. 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 June 30, 2022 (Rs. In lakhs)	1476.37

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. 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), profit/loss on revaluation of investments and recoveries from written off accounts.
14. Provision coverage ratio (Including Technical Write off) as on 30<sup>th</sup> June 2022 is 81.43 %.
15. Figures for the quarter ended 31<sup>st</sup> March 2022 are the balancing figures between the audited figures in respect of the full financial year ended 31<sup>st</sup> March 2022 and the published year to date figures up to the end of the third quarter of the respective financial year which was subjected to limited review.
16. The figures for the previous period have been re-grouped/re-arranged wherever necessary to conform to the current period's classification.

By Order of the Board

*Shivan J K*

(Shivan J K)

Managing Director & CEO  
(DIN-09008166)

Place: Thrissur

Date: 8<sup>th</sup> August 2022

