

DHANLAXMI BANK LIMITED.
Registered & Corporate Office: P. B No.9, Dhanalakshmi Buildings,
Naickanal, Thrissur - 680 001

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER/HALF YEAR ENDED SEPTEMBER 30, 2014

Particulars	(` in Lakhs)					
	For the Quarter ended			For the Half year ended		For the Year ended
	30-Sep-14 (Reviewed)	30-Jun-14 (Reviewed)	30-Sep-13 (Reviewed)	30-Sep-14 (Reviewed)	30-Sep-13 (Reviewed)	31-Mar-14 (Audited)
1. Interest earned (a)+(b)+(c)+(d)	31933	32711	33686	64644	65048	129195
(a) Interest/discount on advances/bills	21930	23385	24411	45315	47400	93685
(b) Income on investments	8988	8310	8763	17298	16660	32456
(c) Interest on balances with Reserve Bank of India and other interbank funds	668	956	512	1624	988	3054
(d) Others	347	60	-	407	-	-
2. Other income	2325	1713	1466	4038	3936	7343
3.Total Income (1 + 2)	34258	34424	35152	68682	68984	136538
4. Interest expended	24757	25114	25443	49871	50457	101182
5. Operating expenses (a) + (b)	7920	8273	7886	16193	15623	34749
(a) Employees cost	4248	4795	4323	9043	8854	18922
(b) Other operating expenses	3672	3478	3563	7150	6769	15827
6. Total Expenditure (4+5) (excluding provisions and contingencies)	32677	33387	33329	66064	66080	135931
7. Operating Profit(+)/Loss(-) before provisions and contingencies (3-6)	1581	1037	1823	2618	2904	607
8. Provisions (other than tax) and Contingencies	1981	734	2008	2715	2727	25789
9. Exceptional items	-901	-	-	-901	-	-
10. Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9)	501	303	-185	804	177	-25182
11. Tax expense	-	-	-	-	4	9
12. Net Profit(+)/Loss (-) from Ordinary Activities after tax (10-11)	501	303	-185	804	173	-25191
13. Extraordinary items	-	-	-	-	-	-
14. Net Profit (+)/Loss (-) for the period (12-13)	501	303	-185	804	173	-25191
15. Paid-up equity share capital (Face value Rs.10)	17744	13353	10606	17744	10606	12593
16. Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-	-	51075

17. Analytical Ratios						
(a) Percentage of share holding of Government of India	Nil	Nil	Nil	Nil	Nil	Nil
(b) Capital Adequacy Ratio						
Basel II	12.74%	10.21%	11.85%	12.74%	11.85%	10.00%
Basel III	11.65%	9.06%	10.46%	11.65%	10.46%	8.67%
(c) Earnings Per Share(EPS) in Rupees						
EPS for the quarter/year (before and after extraordinary items)						
-Basic	0.28*	0.23*	-0.17*	0.45	0.16*	-
-Diluted	0.28*	0.23*	-0.17*	0.45	0.16*	-
(d) NPA Ratios						
- Gross NPA	55464	54449	42679	55464	42679	48582
- Net NPA	34016	34065	29123	34016	29123	30188
- % of Gross NPA	7.27%	7.17%	5.31%	7.27%	5.31%	5.98%
- % of Net NPA	4.60%	4.62%	3.69%	4.60%	3.69%	3.80%
(e) Return on Assets (average) – (Annualized)	0.15%	0.09%	-0.06%	0.12%	0.03%	-1.86%
18. Public Shareholding						
- Number of shares	177441619	133534619	106059619	177441619	106059619	125934619
- Percentage of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
19. Promoters and promoter group shareholding						
(a) Pledged/Encumbered						
- Number of shares	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(b) Non-encumbered						
- Number of Shares	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
- Percentage of shares (as a % of the total share capital)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

*Not annualized

1. Statement of Assets and Liabilities as on September 30, 2014

Particulars	(` in Lakhs)	
	Sep 30, 2014 (Reviewed)	Sep 30, 2013 (Reviewed)
CAPITAL AND LIABILITIES:		
Capital	17744	10606
Reserves and Surplus	79656	73153
Deposits	1161421	1190665
Borrowings	107326	77746
Other Liabilities and Provisions	28521	21868
TOTAL	1394668	1374038
ASSETS:		
Cash and Balances with Reserve Bank of India	66405	61434
Balances with Bank and Money at call and short notice	52380	37712
Investments	479799	430074
Advances	740021	789520
Fixed Assets	21118	13679
Other Assets	34945	41619
TOTAL	1394668	1374038

- The above financial results for the quarter/ half year ended 30th September 2014 reviewed by the Audit Committee of the Board have been approved by the Board of Directors at their meeting held on November 11, 2014, and subjected to limited review by the Statutory Central Auditors.
- The working results for the quarter/ half year ended September 30, 2014 have been arrived at after making provision for income tax, if any, and other usual and necessary provisions. Provisions for Non-Performing Assets, Standard Assets, Non-Performing Investments and Depreciation on Investments are made as per the guidelines issued by the Reserve Bank of India. Further, the suggestions in Annual Financial Inspection (AFI) report 2014 regarding provision requirements amounting to `6982 lakhs has not been given effect to by the Bank for valid reasons, pending disposal of Bank's representation to Reserve Bank of India.
- The unamortized transitional liability consequent to the reopening of the pension option and enhancement of the gratuity limit, following the amendments to the Payment of Gratuity Act, 1972 was `509.89 lakhs as on March 31, 2014. Out of the above, the amount charged to the Profit and Loss Account for the half year ended 30th September 2014 is `255.40 lakhs and the balance amount of `254.49 lakhs yet to be written off is carried forwarded to be amortized in future as permitted by RBI.
- The Bank has issued and allotted 4,39,07,000 shares for an aggregate amount of `19999.64 lakhs by way of private placement during the current quarter.
- Effective April 1, 2014 the Bank has changed the estimated useful life of certain fixed assets in line with the recommended useful life as per Part C of Schedule II to the Companies Act, 2013. On account of this change, the bank has reversed an amount of Rs.901 lakhs during the quarter ended September 30, 2014, representing the excess depreciation charge and disclosed the same as an exceptional item. Except for this, there has been no change in the accounting policies followed during the quarter/ half year ended 30th September 2014 as compared to those followed in the preceding financial year ended 31st March 2014.
- In accordance with RBI circular DBOD No BP.BC.6/21.06.201/2014-15 dated 1st July 2014, banks are required to make half yearly 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 limited review by the statutory auditors of the Bank.

8. Details of investor complaints for the quarter ended September 30, 2014:
Beginning - Nil; Received - 2; Disposed off - 2; Closing - Nil

9. The figures for the previous periods/year have been regrouped wherever necessary.

UNAUDITED SEGMENT-WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

Part A: Business Segments

(` in Lakhs)

Particulars	For the quarter ended			For the half year ended		Year ended
	Sep 30, 2014	June 30, 2014	Sep 30, 2013	Sep 30, 2014	Sep 30, 2013	March 31, 2014
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)
1. Segment Revenue						
(a) Treasury	10495	9446	9110	19941	18834	37035
(b) Retail Banking	12118	13194	12941	25312	27275	55459
(c) Corporate/Wholesale Banking	11298	11725	13092	23023	22865	44032
(d) Other Banking Operations	-	-	-	-	-	-
(e) Unallocated	347	59	9	406	10	12
Total	34258	34424	35152	68682	68984	136538
Less: Inter-Segment Revenue	-	-	-	-	-	-
Income from Operations	34258	34424	35152	68682	68984	136538
2. Segment Results (Profit (+)/Loss (-) before tax and after interest from each segment)						
(a) Treasury	864	448	-230	1312	637	490
(b) Retail Banking	204	332	1107	536	1254	89
(c) Corporate/Wholesale Banking	178	203	945	381	1016	48
(d) Other Banking Operations	-	-	-	-	-	-
(e) Unallocated	335	54	1	389	-3	-20
Total	1581	1037	1823	2618	2904	607
Less : (i) Interest	-	-	-	-	-	-
(ii) Other Unallocable Expenditure net-off	1080	734	2008	1814	2727	25789
(iii) Unallocable income	-	-	-	-	-	-
Profit (+)/Loss(-) before tax	501	303	-185	804	177	-25182
3. Capital Employed						
(a) Treasury	15864	11365	22349	15864	22349	10434
(b) Retail Banking	38698	29882	27959	38698	27959	29628
(c) Corporate/Wholesale Banking	35028	26461	23474	35028	23474	23535
(d) Other Banking Operations	-	-	-	-	-	-
(e) Unallocated	7810	9125	9977	7810	9977	10035
Total	97400	76833	83759	97400	83759	73632

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.

B

Part B: Geographical segments

The Bank has only the domestic geographic segment.

Place: Kochi

Date: 11th November, 2014

By Order of the Board



(P.G. Jayakumar)

Managing Director & CEO





LIMITED REVIEW REPORT

The Board of Directors,
The Dhanlaxmi Bank Ltd.,
PBN: 9, Dhanalakshmi Buildings,
Naickanal, Thrissur-680001.

1. We have reviewed the accompanying statement of unaudited financial results of Dhanlaxmi Bank Limited for the quarter/half year ended Sept 30, 2014, except for the disclosures regarding "Public Shareholding" and "Promoter and Promoter Group Shareholding" which have been traced from disclosures made by the management and have not been audited or 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 these financial statements based on our review.
2. 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 financial statements are free of material misstatement. A review is limited primarily to inquiries of the 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.
3. In the conduct of our Review, we have relied on the concurrent audit reports received from other firms of auditors of 78 branches. These concurrent audit reports of the 78 branches reviewed by us cover 71% of the advances portfolio and 80% of the Non-performing Assets of the Bank. Apart from these, in the conduct of our review we have relied on the explanations and information collated by the corporate office of the Bank from its various branches.
4. Based on information provided to us by the management, Reserve Bank of India (RBI) Annual Financial inspection (AFI) as on 31 March 2014, under section 35 of the Banking Regulation act, 1949 is completed. AFI has suggested an additional provision for divergence in NPA provisions of previous years. Bank yet to make balance provision of Rs.69.82 Crores as suggested by RBI. The balance provision requirement of Rs.69.82 crore is subject to compliance by the Bank pending disposal of Bank's representation to RBI. Had this provision been made in the accounts, profit would have decreased by Rs.69.82 crore and Provisions and contingencies would have been increased by Rs.69.82 crore for the quarter/ half year ended 30th September 2014
5. Based on our review conducted as above, with the exception of the matter described in the paragraph 4, 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 Clause 41 of the Listing Agreement 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.

FOR SAGAR & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No:003510S




(CA.B.Aruna)
PARTNER
M.No: 216454
Station: Kochin
Date: 11th November,2014