



K. VENKATACHALAM AIYER & Co.
CHARTERED ACCOUNTANTS

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LIMITED REVIEW REPORT

The Board of Directors,
Dhanlaxmi Bank Limited,
PB No:9, Dhanalakshmi Buildings,
Naickanal, Thrissur - 680 001

1. We have reviewed the accompanying statement of unaudited financial results of Dhanlaxmi Bank Limited for the quarter / period ended 30th September, 2015, 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 provide 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 74% of the advances portfolio and 73% 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. We refer to Note: 5 of published results, regarding funds of Rs. 7,938 lakhs not provided to pension trust for purchase of annuities for payment of pension/increase in dearness allowance. Had this provision been made in the accounts, operating expenses and loss would have been increased by Rs. 7,938 lakhs.
5. Based on our review conducted above, with the exception of the matter described in the paragraph 4 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 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 the income recognition, asset classification, provisioning and other related matters.

FOR K VENKATACHALAM AIYER & CO
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 0046105

CA. K. NARAYANAN, FCA
PARTNER | MEMBERSHIP NO. 07024
PLACE: KOCHI
DATE: 13.11.2015





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, 2015

(₹ in Lakhs)

| Particulars | For the Quarter ended | | | For the Half year ended | | For the Year ended |
|--|-----------------------|--------------|--------------|-------------------------|--------------|--------------------|
| | 30-Sep-15 | 30-Jun-15 | 30-Sep-14 | 30-Sep-15 | 30-Sep-14 | 31-Mar-15 |
| | (Reviewed) | (Reviewed) | (Reviewed) | (Reviewed) | (Reviewed) | (Audited) |
| 1. Interest earned (a)+(b)+(c)+(d) | 29916 | 31863 | 31933 | 61779 | 64644 | 128359 |
| (a) Interest/discount on advances/bills | 20817 | 22811 | 21930 | 43628 | 45315 | 89385 |
| (b) Income on investments | 7869 | 8046 | 8508 | 15915 | 16299 | 33015 |
| (c) Interest on balances with Reserve Bank of India and other interbank funds | 1230 | 1006 | 1148 | 2236 | 2623 | 5381 |
| (d) Others | - | - | 347 | - | 407 | 578 |
| 2. Other income | 1769 | 1282 | 2325 | 3051 | 4038 | 8495 |
| 3. Total Income (1 + 2) | 31685 | 33145 | 34258 | 64830 | 68682 | 136854 |
| 4. Interest expended | 22789 | 23556 | 24757 | 46345 | 49871 | 98475 |
| 5. Operating expenses (a) + (b) | 8358 | 8331 | 7920 | 16689 | 16193 | 36721 |
| (a) Employees cost | 4677 | 4783 | 4248 | 9460 | 9043 | 21147 |
| (b) Other operating expenses | 3681 | 3548 | 3672 | 7229 | 7150 | 15574 |
| 6. Total Expenditure (4+5) (excluding provisions and contingencies) | 31147 | 31887 | 32677 | 63034 | 66064 | 135196 |
| 7. Operating Profit(+)/Loss(-) before provisions and contingencies (3-6) | 538 | 1258 | 1581 | 1796 | 2618 | 1658 |
| 8. Provisions (other than tax) and Contingencies | 493 | 3529 | 1981 | 4022 | 2715 | 26706 |
| 9. Exceptional items | - | - | -901 | - | -901 | -901 |
| 10. Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9) | 45 | -2271 | 501 | -2226 | 804 | -24147 |
| 11. Tax expense | - | - | - | - | - | - |
| 12. Net Profit(+)/Loss (-) from Ordinary Activities after tax (10-11) | 45 | -2271 | 501 | -2226 | 804 | -24147 |
| 13. Extraordinary items | - | - | - | - | - | - |
| 14. Net Profit (+)/Loss (-) for the period (12-13) | 45 | -2271 | 501 | -2226 | 804 | -24147 |
| 15. Paid-up equity share capital (Face value Rs.10) | 17744 | 17744 | 17744 | 17744 | 17744 | 17744 |
| 16. Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year | - | - | - | - | - | 44742 |
| 17. Analytical Ratios | | | | | | |
| (a) Percentage of share holding of Government of India | Nil | Nil | Nil | Nil | Nil | Nil |

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| | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| (b) Capital Adequacy Ratio | | | | | | |
| Basel II | 9.81% | 9.32% | 12.74% | 9.81% | 12.74% | 9.71% |
| Basel III | 9.69% | 9.20% | 11.65% | 9.69% | 11.65% | 9.59% |
| (c) Earnings Per Share(EPS) in Rupees | | | | | | |
| EPS for the quarter/year (before and after extraordinary items) | | | | | | |
| - Basic | 0.03* | - | 0.28* | - | 0.45* | - |
| - Diluted | 0.03* | - | 0.28* | - | 0.45* | - |
| (d) NPA Ratios | | | | | | |
| - Gross NPA | 62814 | 62728 | 55464 | 62814 | 55464 | 55829 |
| - Net NPA | 28264 | 29952 | 34016 | 28264 | 34016 | 25263 |
| - % of Gross NPA | 8.75 | 8.45% | 7.27% | 8.75 | 7.27% | 7.00% |
| - % of Net NPA | 4.14 | 4.22% | 4.60% | 4.14 | 4.60% | 3.29% |
| (e) Return on Assets (average) – (Annualized) | 0.01% | -0.70% | 0.15% | -0.34% | 0.12% | -1.77% |
| 18. Public Shareholding | | | | | | |
| - Number of shares | 177441619 | 177441619 | 177441619 | 177441619 | 177441619 | 177441619 |
| - 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

Notes

1. Statement of Assets and Liabilities as on September 30, 2015

| Particulars | (₹ in Lakhs) | | |
|---|-------------------------|-------------------------|------------------------|
| | 30-Sep-15 (Reviewed) | 30-Sep-14 (Reviewed) | 31-Mar-15 (Audited) |
| CAPITAL AND LIABILITIES: | | | |
| Capital | 17744 | 17744 | 17744 |
| Reserves and Surplus | 52386 | 79656 | 54641 |
| Deposits | 1202022 | 1161421 | 1238168 |
| Borrowings | 20410 | 107326 | 94135 |
| Other Liabilities and Provisions | 22737 | 28521 | 30503 |
| TOTAL | 1315299 | 1394668 | 1435191 |
| ASSETS: | | | |
| Cash and Balances with Reserve Bank of India | 65498 | 66405 | 66933 |
| Balances with Bank and Money at call and short notice | 42692 | 52380 | 62079 |
| Investments | 431784 | 447565 | 449664 |
| Advances | 682977 | 740021 | 766981 |
| Fixed Assets | 19516 | 21118 | 20280 |
| Other Assets | 72832 | 67179 | 69254 |
| TOTAL | 1315299 | 1394668 | 1435191 |

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2. The above financial results for the quarter/ half year ended 30th September 2015 reviewed by the Audit Committee of the Board have been approved by the Board of Directors at their meeting held on November 13, 2015, and subjected to limited review by the Statutory Central Auditors.
3. There has been no change in the accounting policies followed during the quarter/ half year ended 30th September 2015 as compared to those followed in the preceding financial year ended 31st March 2015.
4. The working results for the quarter/ half year ended September 30, 2015 have been arrived at after making provision for income tax, if any, and other usual and necessary provisions. Provisions against Non-Performing Assets, Standard Assets, Non-Performing Investments and Depreciation on Investments are made as per the guidelines and prudential norms issued by the Reserve Bank of India.
5. The provision for Pension/ increase in DA to Retired/VRS opted employees in the year 2000 and 2004 to the extent of ₹79.38 Crore has not been created in the account, pending receipt of direction from RBI in response to the representation given by the Bank on deferral of the same over a period of five years in a phased manner though commented in the last AFI report for the Financial Year ended 31.03.2015. Adequate provision shall be created strictly as per the direction of RBI. However, the Bank continues to pay the pension and increase in DA to the Retired / VRS opted employees on the respective due dates and such amount paid is charged to Profit and Loss Account.
6. The figures for the quarter ended September 30, 2015 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figure between unaudited figures in respect of the half year and up to the end of the first quarter of the relevant Financial Year.
7. Provision Coverage Ratio as on 30.09.2015 is 66.94%.
8. In accordance with RBI circular DBR No BP.BC.1/21.06.201/2015-16 dated 1st July 2015, 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_base1.aspx. These disclosures have not been subjected to limited review by the statutory auditors of the Bank.
9. Details of investor complaints for the quarter ended September 30, 2015:
Beginning - Nil; Received - 1; Disposed off - 1; Closing - Nil
10. The figures for the previous periods/year have been regrouped wherever necessary to conform to the current period's classification.

UNAUDITED SEGMENT-WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

Part A: Business Segments

| Particulars | (₹ in Lakhs) | | | | | |
|---------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|------------------------|
| | For the quarter ended | | | For the half year ended | | Year ended |
| | 30-Sep-15 (Reviewed) | 30-Jun-15 (Reviewed) | 30-Sep-14 (Reviewed) | 30-Sep-15 (Reviewed) | 30-Sep-14 (Reviewed) | 31-Mar-15 (Audited) |
| 1. Segment Revenue | | | | | | |
| (a) Treasury | 9388 | 9394 | 10495 | 18782 | 19941 | 40456 |
| (b) Retail Banking | 10488 | 14077 | 12118 | 24565 | 25312 | 54041 |
| (c) Corporate/Wholesale Banking | 11809 | 9674 | 11298 | 21483 | 23023 | 41751 |
| (d) Other Banking Operations | - | - | - | - | - | - |
| (e) Unallocated | - | - | 347 | - | 406 | 606 |
| Total | 31685 | 33145 | 34258 | 64830 | 68682 | 136854 |
| Less: Inter-Segment Revenue | - | - | - | - | - | - |
| Income from Operations | 31685 | 33145 | 34258 | 64830 | 68682 | 136854 |

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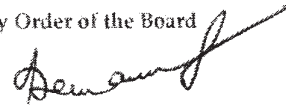
| 2. Segment Results (Profit (+)/Loss (-) before tax and after interest from each segment) | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|---------------|
| (a) Treasury | 223 | 374 | 864 | 597 | 1312 | 1725 |
| (b) Retail Banking | 238 | 527 | 204 | 765 | 536 | -310 |
| (c) Corporate/Wholesale Banking | 77 | 357 | 178 | 434 | 381 | -363 |
| (d) Other Banking Operations | - | - | - | - | - | - |
| (e) Unallocated | - | - | 335 | - | 389 | 606 |
| Total | 538 | 1258 | 1581 | 1796 | 2618 | 1658 |
| Less : (i) Interest | - | - | - | - | - | - |
| (ii) Other Unallocable Expenditure net-off | 493 | 3529 | 1080 | 4022 | 1814 | 25805 |
| (iii) Unallocable income | - | - | - | - | - | - |
| Profit (+)/Loss(-) before tax | 45 | -2271 | 501 | -2226 | 804 | -24147 |
| 3. Capital Employed | | | | | | |
| (a) Treasury | 11855 | 11073 | 15864 | 11855 | 15864 | 12540 |
| (b) Retail Banking | 26828 | 30487 | 38698 | 26828 | 38698 | 29382 |
| (c) Corporate/Wholesale Banking | 23397 | 20705 | 35028 | 23397 | 35028 | 22421 |
| (d) Other Banking Operations | - | - | - | - | - | - |
| (e) Unallocated | 8050 | 8049 | 7810 | 8050 | 7810 | 8043 |
| Total | 70130 | 70314 | 97400 | 70130 | 97400 | 72386 |

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.

By Order of the Board



(G. Sreeram)
Managing Director & CEO

Place: Kochi
Date: 13th November, 2015

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