

SH: 144/ 2016-17

November 11, 2016

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

Dear Sir,

Sub: Compliance of Reg.33 of SEBI (LODR) Regulations, 2015

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the unaudited financial results for the quarter/ half-year ended September 30, 2016 along with the Limited Review Report on the same. The results/report was taken on record by the Board of Directors at its meeting held on November 11, 2016.

The Board meeting concluded at 5.00 P.M.

Thanking you,

Yours faithfully,



Santosh Kumar Barik
Company Secretary

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEP 30, 2016

(RS in Lakhs)

| Particulars | Quarter ended | | | Half Year ended | | Year ended |
|---|---------------|--------------|--------------|-----------------|--------------|---------------|
| | 30-Sep-16 | 30-Jun-16 | 30-Sep-15 | 30-Sep-16 | 30-Sep-15 | 31-Mar-16 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1. Interest earned (a)+(b)+(c)+(d) | 27259 | 28107 | 29916 | 55366 | 61779 | 120427 |
| (a) Interest/discount on advances/bills | 19172 | 20108 | 20817 | 39280 | 43628 | 83428 |
| (b) Income on investments | 7208 | 7163 | 7869 | 14371 | 15915 | 32760 |
| (c) Interest on balances with Reserve Bank of India and other interbank funds | 422 | 381 | 1230 | 803 | 2236 | 2212 |
| (d) Others | 457 | 455 | - | 912 | - | 2027 |
| 2. Other income | 4014 | 1971 | 1769 | 5985 | 3051 | 7673 |
| 3.Total Income (1 + 2) | 31273 | 30078 | 31685 | 61351 | 64830 | 128100 |
| 4. Interest expended | 18851 | 19486 | 22789 | 38337 | 46345 | 89960 |
| 5. Operating expenses (a) + (b) | 9001 | 9557 | 8358 | 18558 | 16689 | 37812 |
| (a) Employees cost | 5556 | 5539 | 4677 | 11095 | 9460 | 21315 |
| (b) Other operating expenses | 3445 | 4018 | 3681 | 7463 | 7229 | 16497 |
| 6. Total Expenditure (4+5) (excluding provisions and contingencies) | 27852 | 29043 | 31147 | 56895 | 63034 | 127772 |
| 7. Operating Profit(+)/Loss(-) before provisions and contingencies (3-6) | 3421 | 1035 | 538 | 4456 | 1796 | 328 |
| 8. Provisions (other than tax) and Contingencies | 2819 | 462 | 493 | 3281 | 4022 | 10710 |
| 9. Exceptional items | - | - | - | - | - | 9234 |
| 10. Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9) | 602 | 573 | 45 | 1175 | -2226 | -19616 |
| 11. Tax expense | - | - | - | - | - | 1329 |
| 12. Net Profit(+)/Loss (-) from Ordinary Activities after tax (10-11) | 602 | 573 | 45 | 1175 | -2226 | -20945 |
| 13. Extraordinary items (net of tax expense) | - | - | - | - | - | - |
| 14. Net Profit (+)/Loss (-) for the period (12-13) | 602 | 573 | 45 | 1175 | -2226 | -20945 |
| 15. Paid-up equity share capital (Face value Rs.10) | 20985 | 17744 | 17744 | 20985 | 17744 | 17744 |



| | | | | | | |
|--|-------|-------|--------|-------|--------|--------|
| 16. Reserves excluding Revaluation Reserves(as per balance sheet of previous accounting year) | - | - | - | - | - | 23797 |
| 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 | 9.03% | 7.44% | 9.69% | 9.03% | 9.69% | 7.51% |
| (iii) Earnings Per Share(EPS) in Rupees | | | | | | |
| -Basic EPS (Before and after Extra ordinary items) | 0.29* | 0.32* | 0.03* | 0.56* | -1.25* | -11.80 |
| -Diluted EPS (Before and after Extra ordinary items) | 0.29* | 0.32* | 0.03* | 0.56* | -1.25* | -11.80 |
| (iv) NPA Ratios | | | | | | |
| - Gross NPA | 48055 | 47549 | 62814 | 48055 | 62814 | 45892 |
| - Net NPA | 16852 | 19766 | 28264 | 16852 | 28264 | 19319 |
| - % of Gross NPA | 6.86% | 7.02% | 8.75% | 6.86% | 8.75% | 6.36% |
| - % of Net NPA | 2.52% | 3.04% | 4.14% | 2.52% | 4.14% | 2.78% |
| (v) Return on Assets (average) – (Annualized) | 0.19% | 0.19% | -0.01% | 0.19% | -0.34% | -1.61% |

*Not Annualized

SEGMENTWISE RESULTS

Part A: Business Segments

(Rs in Lakhs)

| Particulars | Quarter ended | | | Half year ended | | Year ended |
|--|---------------|--------------|--------------|-----------------|--------------|---------------|
| | 30-Sep-16 | 30-Jun-16 | 30-Sep-15 | 30-Sep-16 | 30-Sep-15 | 31-Mar-16 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1. Segment Revenue | | | | | | |
| (a) Treasury | 9862 | 8260 | 9388 | 18122 | 18782 | 33583 |
| (b) Retail Banking | 10893 | 10357 | 10488 | 21250 | 24565 | 45394 |
| (c) Corporate/ Wholesale Banking | 10518 | 11461 | 11809 | 21979 | 21483 | 49123 |
| (d) Other Banking Operations | - | - | - | - | - | - |
| (e) Unallocated | - | - | - | - | - | - |
| Total Revenue | 31273 | 30078 | 31685 | 61351 | 64830 | 128100 |
| Less: Inter-Segment Revenue | - | - | - | - | - | - |
| Income from Operations | 31273 | 30078 | 31685 | 61351 | 64830 | 128100 |
| 2. Segment Results(Net of Provisions) | | | | | | |
| (a) Treasury | 3042 | 821 | 223 | 3863 | 597 | -789 |
| (b) Retail Banking | 347 | 770 | 238 | 1117 | 765 | 3322 |
| (c) Corporate/ Wholesale Banking | 32 | -556 | 77 | -524 | 434 | -2483 |
| (d) Other Banking Operations | - | - | - | - | - | - |
| (e) Unallocated | - | - | - | - | - | - |
| Total | 3421 | 1035 | 538 | 4456 | 1796 | 50 |
| Less :(i) Interest | - | - | - | - | - | - |
| (ii) Other Unallocable Expenditure net-off | 2819 | 462 | 493 | 3281 | 4022 | 19666 |
| (iii) Unallocable income | - | - | - | - | - | - |
| Profit (+)/Loss(-) before tax | 602 | 573 | 45 | 1175 | -2226 | -19616 |



| 3. Capital Employed | | | | | | |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| (a) Treasury | 12058 | 9831 | 11855 | 12058 | 11855 | 3503 |
| (b) Retail Banking | 19514 | 14224 | 26828 | 19514 | 26828 | 11108 |
| (c) Corporate/ Wholesale Banking | 22005 | 20557 | 23397 | 22005 | 23397 | 29473 |
| (d) Other Banking Operations | - | - | - | - | - | - |
| (e) Unallocated | 6724 | 6711 | 8050 | 6724 | 8050 | 6711 |
| Total | 60301 | 51323 | 70130 | 60301 | 70130 | 50795 |

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

- Statement of Assets and Liabilities as on 30th September, 2016 ;

| Particulars | (Rs. in Lakhs) | | |
|---|-------------------------|-------------------------|-----------------------|
| | 30.09.2016 Unaudited | 30.09.2015 Unaudited | 31.03.2016 Audited |
| Capital and Liabilities | | | |
| Capital | 20985 | 17744 | 17744 |
| Reserves and Surplus | 39316 | 52386 | 33051 |
| Deposits | 1120769 | 1202022 | 1135376 |
| Borrowings | 16359 | 20410 | 25185 |
| Other Liabilities and Provisions | 23427 | 22737 | 34942 |
| Total | 1220856 | 1315299 | 1246298 |
| Assets | | | |
| Cash and Balances with Reserve Bank of India | 58756 | 65498 | 57948 |
| Balances with Bank and Money at Call and Short Notice | 36489 | 42692 | 25365 |
| Investments | 373837 | 431784 | 379224 |
| Advances | 669033 | 682977 | 695268 |
| Fixed Assets | 17362 | 19516 | 17892 |
| Other Assets | 65379 | 72832 | 70601 |
| Total | 1220856 | 1315299 | 1246298 |

- The above unaudited financial results for the quarter and half ended 30th September 2016, were reviewed by the Audit Committee and recommended for approval to, and approved by the Board of Directors at its meeting held on November 11, 2016. These Results have been subjected to "Limited Review" by the Statutory Central Auditors of the Bank.
- The working results for the quarter and half year ended 30 September, 2016 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 and prudential norms issued by the Reserve Bank of India.
- There has been no change in the accounting policies followed during the quarter and half year ended 30 September 2016, as compared to those followed in the preceding financial year ended 31st March, 2016.



5. 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..
6. During the year ended 31st March, 2016, the Bank had assigned certain Non performing financial assets to Asset Reconstruction Companies. In terms of RBI Master Circular DBR.No.BP.BC.2/21.04.048/2015-16 on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances dated July 1, 2015 as amended; the shortfall arrived at by deducting sales consideration from the net book value of the financial assets is amortized over a period of two years. Accordingly, the Bank has charged to the profit and loss account an amount of Rs. 1.57 crores for the quarter ended 30th September, 2016 and Rs.3.14 for the half year ended September 30, 2016. The unamortized balance of Rs. 7.84 crores will be carried over and amortized over the next five quarters.
7. The existing Deferred Tax Assets (DTA) of Rs.37.06 crores was reviewed in the light of improving trend in performance and a considered conservative view has been taken to retain the same.
8. During the quarter and the half year ended September 30, 2016 the Bank has raised 3,24,05,000 equity shares at Rs.25.98 per share (including premium of Rs.15.98 per share) on preferential allotment basis.
9. 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.
10. Provision Coverage Ratio as on 30-09-2016 is 79.24%.
11. Details of investor complaints for the quarter ended 30 Sep, 2016:
- Complaints pending at the beginning of the quarter - Nil
 - Complaints received during the quarter - Nil
 - Complaints disposed during the quarter - Nil
 - Complaints lying unresolved at the end of the Quarter - Nil
12. The figures for the previous period have been regrouped/rearranged wherever necessary to conform to the current period's classification.

Place: Thrissur

Date: 11th November, 2016



By Order of the Board

(G. Sreeram)

Managing Director & CEO

(DIN: 05143385)



INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS.

TO THE BOARD OF DIRECTORS OF DHANLAXMI BANK LIMITED

1. We have reviewed the accompanying statement of Unaudited Financial Results of Dhanlaxmi Bank Limited ("Bank") for the quarter ended 30th September 2016("the Statement"), being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI(Listing Obligations and Disclosure Requirements)Regulation,2015 except for the matters set out in Para 4 below. 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 accounting principles generally accepted in India along with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25), Prescribed under section 133 of Companies Act 2013 read with relevant Rules issued there under in so far as they apply to Banking Companies and Circulars and (RBI) from time to time. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement 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.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Accounting Standards and other accounting principles generally accepted in India, 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 relevant prudential norms prescribed by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.




4. Attention is drawn to;

- a. Note No.6 of the Statement regarding deferment of shortfall arising from the sale of certain non-performing asset during an earlier year in terms of RBI Master Circular DBR.No.BP.BC.2/21.04.048/ 2015-16 on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances dated 1st July 2015 as amended and the unamortised balance of Rs.7.84 crores as at 30th September, 2016.
- b. Note No.7 of the Statement regarding retention of Deferred Tax Asset amounting to Rs.37.06 crores.

Our conclusion is not modified in respect of these matters.

For SRIDHAR & CO
CHARTERED ACCOUNTANTS
(FRN : 003978S)




CA. R. SRINIVASAN
Partner
M. No. 200969

Thrissur,
11th November, 2016.