



SH: ²² / 2017-18

May 16, 2017

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
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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 audited financial results for the quarter and financial year ended March 31, 2017, along with the auditor's report on the same, taken on record by the Board of Directors of the Bank at its meeting held on May 16, 2017.


The Board of Directors has not recommended any dividend for the financial year 2016-17.

The Board meeting concluded at 6:30 P.M.

Kindly take the same on record.

Thanking you,

Yours faithfully,


Santosh Kumar Barik
Company Secretary

DHANLAXMI BANK LIMITED.

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

Naickanal, Thrissur – 680 001

CIN: L65191KL1927PLC000307

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2017

(Rs in Lakhs)

Particulars	Quarter ended			Year ended	Year ended
	31-Mar-17	31-Dec-16	31-Mar-16	31-Mar-17	31-Mar-16
	=Audited	Unaudited	=Audited	Audited	Audited
1. Interest earned (a)+(b)+(c)+(d)	26785	26754	29312	108905	120427
(a) Interest/discount on advances/bills	18602	19067	20223	76949	83428
(b) Income on investments	6824	6507	8189	27702	32760
(c) Interest on balances with Reserve Bank of India and other interbank funds	907	697	417	2407	2212
(d) Others	452	483	483	1847	2027
2. Other income	2849	2268	3086	11102	7673
3.Total Income (1 + 2)	29634	29022	32398	120007	128100
4. Interest expended	18332	19076	21113	75745	89960
5. Operating expenses (a) + (b)	7456	8841	11795	34855	37812
(a) Employees cost	3360	5035	6350	19490	21315
(b) Other operating expenses	4096	3806	5445	15365	16497
6. Total Expenditure (4+5) (excluding provisions and contingencies)	25788	27917	32908	110600	127772
7. Operating Profit(+)/Loss(-) before provisions and contingencies (3-6)	3846	1105	(510)	9407	328
8. Provisions (other than tax) and Contingencies	2965	1923	2087	8169	10710
9. Exceptional items	-	-	9234	-	9234
10. Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9)	881	(818)	(11831)	1238	(19616)
11. Tax expense	-	-	1329	-	1329
12. Net Profit(+)/Loss (-) from Ordinary Activities after tax (10-11)	881	(818)	(13160)	1238	(20945)
13. Extraordinary items (net of tax expense)	-	-	-	-	-
14. Net Profit (+)/Loss (-) for the period (12-13)	881	(818)	(13160)	1238	(20945)
15. Paid-up equity share capital (Face value Rs.10)	20985	20985	17744	20985	17744
16. Reserves excluding Revaluation Reserves				30386	23797
17. Analytical Ratios					
(i) Percentage of share holding of Government	Nil	Nil	Nil	Nil	Nil



of India					
(ii) Capital Adequacy Ratio as per Basel III	10.26%	9.24%	7.51%	10.26%	7.51%
(iii) Earnings Per Share(EPS) in Rupees					
-Basic EPS (Before and after Extra ordinary items)	0.42*	(0.39)*	(7.42)*	0.59	(11.80)
-Diluted EPS (Before and after Extra ordinary items)	0.42*	(0.39)*	(7.42)*	0.59	(11.80)
(iv) NPA Ratios					
- Gross NPA	31560	50383	45892	31560	45892
- Net NPA	16648	18339	19319	16648	19319
- % of Gross NPA	4.78%	7.59%	6.36%	4.78%	6.36%
- % of Net NPA	2.58%	2.90%	2.78%	2.58%	2.78%
(v) Return on Assets (average) – (Annualized)	0.06%	(0.27)%	(1.61)%	0.10%	(1.61)%

*Not Annualized

Refer Note No.4

SEGMENTWISE RESULTS

Part A: Business Segments

(Rs in Lakhs)

Particulars	Quarter ended			Year ended	Year ended
	31-Mar-17	31 Dec-16	31-Mar-16	31-Mar-17	31-Mar-16
	#Audited	Unaudited	# Audited	Audited	Audited
1. Segment Revenue					
(a) Treasury	8132	7782	13927	34036	33583
(b) Retail Banking	8165	9652	8575	39067	45394
(c) Corporate/ Wholesale Banking	13337	11588	9896	46904	49123
(d) Other Banking Operations	-	-	-	-	-
(e) Unallocated	-	-	-	-	-
Total Revenue	29634	29022	32398	120007	128100
Less: Inter-Segment Revenue	-	-	-	-	-
Income from Operations	29634	29022	32398	120007	128100
2. Segment Results					
(a) Treasury	2484	(417)	(487)	5930	(789)
(b) Retail Banking	1338	1338	919	3794	3322
(c) Corporate/ Wholesale Banking	24	184	(1220)	(316)	(2483)
(d) Other Banking Operations	-	-	-	-	-
(e) Unallocated	-	-	-	-	-
Total	3846	1105	(788)	9408	50
Less:(i) Interest	-	-	-	-	-
(ii) Other Unallocable					
Expenditure net-off	2965	1923	11043	8169	19666
(iii) Unallocable income	-	-	-	-	-
Profit (+)/Loss(-) before tax	881	(818)	(11831)	1239	(19616)
3. Segment Assets					
(a) Treasury	465889	514424	416462	465889	416462
(b) Retail Banking	325365	347188	368516	325365	368516
(c) Corporate/ Wholesale Banking	435545	413856	454609	435545	454609
(d) Other Banking Operations	-	-	-	-	-
(e) Unallocated	6503	6724	6711	6503	6711
Total	1233312	1282192	1246298	1233312	1246298
4. Segment Liabilities					
(a) Treasury	434642	481108	412959	434642	412959



(b) Retail Banking	313526	338339	357408	313526	357408
(c) Corporate/ Wholesale Banking	419696	403307	425136	419696	425136
(d) Other Banking Operations	-	-	-	-	-
(e) Unallocated	-	-	-	-	-
Total	1167864	1222754	1195503	1167864	1195503
5. Capital Employed (Segment Assets- Segment Liabilities)					
(a) Treasury	31257	33316	3503	31257	3503
(b) Retail Banking	11839	8849	11108	11839	11108
(c) Corporate/ Wholesale Banking	15849	10549	29473	15849	29473
(d) Other Banking Operations	-	-	-	-	-
(e) Unallocated	6503	6724	6711	6503	6711
Total	65448	59438	50795	65448	50795

Refer Note No.4

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 of the Bank as on 31st March, 2017

(Rs. in Lakhs)

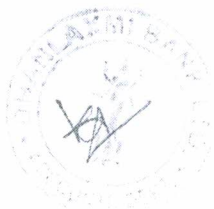
Particulars	As on 31.03.2017 (Audited)	As on 31.03.2016 (Audited)
<i>Capital and Liabilities</i>		
Capital	20985	17744
Reserve and Surplus	44463	33051
Deposits	1129368	1135376
Borrowings	14520	25185
Other Liabilities and Provisions	23976	34942
Total	1233312	1246298
<i>Assets</i>		
Cash and Balances with Reserve Bank of India	57497	57948
Balances with Banks and Money at call and Short Notice	23260	25365
Investments	419415	379224
Advances	644635	695268
Fixed Assets	21427	17892
Other Assets	67078	70601
Total	1233312	1246298

- The above audited financial results for the quarter and year ended 31st March 2017, were reviewed by the Audit Committee and recommended for approval to, and approved by the Board of Directors at its meeting held on May 16, 2017. These Results have been subjected to "Audit" by the Statutory Auditors of the Bank and an unqualified report has been issued by them.
- The divergence observed by the RBI for the financial year 2015-16 in respect of the Bank's asset classification and provisioning under the extant prudential norms on income recognition, asset classification and provisioning does not exceed the limits specified under RBI Circular DBR.BP.BC.No.63/21.04.018/2016-177 dated April 18, 2017 on "Divergence in the asset classification and provisioning", and hence not disclosed in the Notes on Accounts to audited financial statements for the year ended March 31, 2017..



4. Figures for the last quarter in each of the years are the balancing figures between the audited figures in respect of full financial year 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.
5. 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 of the Bank for the period presented.
6. In accordance with RBI circular DBR No BP.BC.1/21.06.201/2015-16 dated 1st July 2015 on BASEL-III Capital Regulations, banks are required to make quarterly Pillar 3 disclosure requirements including Leverage Ratio and Liquidity Coverage Ratio under Basel III framework. Accordingly, 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 audit/ Review by the Statutory Auditors.
7. The working results for the quarter and year ended 31 March, 2017 have been arrived at after making provision for tax, if any, and other usual and necessary provisions, 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 as per the guidelines and prudential norms issued by the Reserve Bank of India.
8. 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 31st March 2017 and Rs.6.28 for the year ended March 31, 2017. The unamortized balance of Rs. 4.7 Crores will be carried over and amortized over the next three quarters.
9. 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.
10. During the year ended 31st March 2017 (in quarter ended 30th September 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.
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. Provision Coverage Ratio as on 31-03-2017 is 79.99%.
13. The figures for the previous period have been regrouped/ rearranged wherever necessary to conform to the current period's classification.

Place: Thrissur
Date: 16th May, 2017



By Order of the Board

(G. Sreeram)

Managing Director & CEO

(DIN: 05143385)





Independent Auditor's Report

To

The Members of Dhanlaxmi Bank Limited **Report on the Financial Statements**

We have audited the accompanying financial statements of Dhanlaxmi Bank Limited ("the Bank"), which comprise the Balance Sheet as at 31 March, 2017, the Profit and Loss Account and the Cash Flow statement for the year then ended, and a summary of significant accounting policies and notes to the financial statements. Incorporated in these financial statements are the returns of seventeen branches/offices and Treasury division audited by us, 254 branches/offices audited by branch auditors.

Management's Responsibility for the Financial Statements

The Bank's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies(Accounts) Rules, 2014, in so far as they apply to the Bank and the guidelines issued by the Reserve Bank of India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We have conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Bank's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Bank's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements together with the Principal Accounting Policies and Notes appended thereto give the information required by the Banking Regulation Act, 1949 as well as the Act in the manner so required for the banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Bank as at 31 March 2017, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 read with Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
2. As required by section 143(3) of the Act and section 30 of the Banking Regulation Act, 1949, we report that:
 - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
 - b) In our opinion, the transactions of the Bank, which have come to our notice, have been within the powers of the Bank;
 - c) The returns received from the Offices and branches of the Bank have been found adequate for the purpose of our audit. The reports on the accounts of the branch offices audited by branch auditors of the Bank under section 143(8) of the Act have been sent to us and have been properly dealt with by us in preparing this report;
 - d) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books;
 - e) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;



- f) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as applicable to banks;
- g) On the basis of written representations received from the directors as on 31 March, 2017 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March, 2017 from being appointed as a director in terms of Section 164(2) of the Act;
- h) With respect to the adequacy of the internal financial controls over financial reporting of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Bank's internal financial controls over financial reporting.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Bank has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28 to the financial statements;
- ii. The Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts – Refer Note 29 to the financial statements;
- iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Bank; and
- iv. The disclosure required on holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016 as envisaged in notification GSR 308(E) dated March 30, 2017 issued by the Ministry of Corporate Affairs, is not applicable to the Bank. Refer note 30 to the financial statements.



For Sridhar & Co
Chartered Accountants
Firm Registration Number: 0039785.


R. Srinivasan
Partner
Membership Number: 200969

Place : Thrissur
Date : 16 May 2017

Annexure 1 to The Independent Auditor's Report of even date on the Financial Statements of Dhanlaxmi Bank Limited

Report on the Internal Financial Controls under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")

To

The Members of Dhanlaxmi Bank Limited

We have audited the internal financial controls over financial reporting of Dhanlaxmi Bank Limited ("the Bank") as of 31 March 2017 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Bank's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We have conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected



depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Concept of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Bank has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



Place : Thrissur
Date : 16 May 2017

For Sridhar & Co
Chartered Accountants
Firm Registration Number: 003978S.


R. Srinivasan
Partner
Membership Number: 200969



May 16, 2017

Mr. Khushro A. Bulsara-
Senior General Manager
Listing Compliance & Legal Regulatory
BSE Limited
Corporate Relations Department
P.J. Towers, Dalal Street
Mumbai - 400 001
BSE Scrip Code: 532180

Mr. Avinash Kharkar
AVP - Listing Compliance
National Stock Exchange of India Limited
Exchange Plaza,
Plot no. C/I, G Block
Bandra – Kurla Complex, Bandra (E)
Mumbai – 400 051
NSE Symbol: DHANBANK

Dear Sir,

Sub: Declaration pursuant to Regulation 33(3)(d) of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby confirm that the Auditors' Report on Audited Financial Results (Standalone and Consolidated) for the year ended March 31, 2017 approved at the Board Meeting held today i.e. May 16, 2017 is with unmodified opinion

We request you to kindly take this in your record.

Thanking You,

Yours faithfully,
For **DHANLAXMI BANK LTD**

(Bhasi K V)
Chief Financial Officer

