



SH: 104 / 2018-19

September 27, 2018

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: Summary of Proceedings of 91st Annual General Meeting

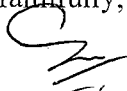
Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a summary of the proceedings of the 91st Annual General Meeting of the Bank held on Thursday, September 27, 2018.

A copy of the Chairman's Speech delivered at the 91st Annual General Meeting is also enclosed herewith.

Kindly take the same on record.

Thanking you,

Yours faithfully,


Santosh Kumar Barik
Company Secretary

Proceedings of the 91st Annual General Meeting of the Shareholders of Dhanlaxmi Bank Limited, Thrissur held on Thursday, September 27, 2018 at 10.00 A.M at "Safina", Lulu International Convention Center & Garden Hotels, Puzhakkal, Ayyanthole P O, Thrissur - 680003

The 91st Annual General Meeting (hereinafter referred to as the "Meeting") of Dhanlaxmi Bank Limited was held on Thursday, September 27, 2018 at 10.00 A.M at "Safina", Lulu International Convention Center & Garden Hotels, Puzhakkal, Ayyanthole P O, Thrissur – 680003.

The Meeting was chaired by Sri. Sajeev Krishnan, Chairman of the Bank.

108 Members holding 481780 shares attended the Meeting in person. 30 shareholders holding 96092098 shares attended the Meeting by proxy.

The Meeting was attended by following Directors:-

1. Sri. Sajeev Krishnan, Chairman of the Bank
2. Ms. T. Latha, Managing Director & CEO
3. Sri. Chella K Srinivasan, Director (Chairman of Audit Committee of Board)
4. Dr. Lakshmy Devi K.R, Director
5. Sri. Gopinathan C.K, Director
6. Sri. P.S Sreekumar, Director (Chairman - Stakeholders' Relationship Committee of Board and Nomination & Remuneration Committee of Board)
7. Sri. K.N Murali, Director

The Company Secretary requested Chairman to address the august gathering.

Chairman first introduced the Directors on the dais. Chairman ascertained whether there was proper quorum and on confirmation thereof by the Company Secretary, Chairman called the Meeting to order.

Thereafter, Chairman addressed the Meeting, the text of which is reproduced in the Annexure to these Minutes.

After the address, Chairman informed the Members that the Register of Directors' Shareholdings and Proxy Register was placed at the Meeting and kept open for inspection by Members.



When called upon by Chairman, the Company Secretary announced that 34 proxies from shareholders holding 96093931 shares have been lodged and 30 proxies from shareholders holding 96092098 shares were valid.

The Company Secretary informed the Members on the procedure for voting on the resolutions set out in the Notice of the Meeting. The Company Secretary further informed that the Bank has appointed Mr. M. Vasudevan, Practicing Company Secretary, Thrissur to scrutinize the voting process and provide the voting results in compliance with the provisions of the Companies Act, 2013 and SEBI Regulations.

With the consent of the Members present, the Notice of the 91st Annual General Meeting dated August 06, 2018 and Directors' Report dated August 06, 2018, circulated to the Members, were taken as read.

Chairman proceeded to take up the items of business in the order set out in the Notice of the Meeting.

The adoption and approval of accounts for the financial year ended March 31, 2018, being the first item in the Notice of the Meeting, was taken up for discussion. On Chairman's invitation, Company Secretary read out the Independent Auditor's Report for the financial year ended March 31, 2018. Thereafter, all the items of business as set out in the Notice of the Meeting were taken up in succession in the order as given in the Notice:-

Ordinary Business

1. To receive, consider and adopt the Bank's Audited Balance Sheet as at March 31, 2018 and the Profit & Loss Account for the year ended on that date together with the reports of the Board of Directors and Auditors thereon
2. To re-appoint Statutory Central Auditors and authorize the Board of Directors to fix their remuneration
3. To re-appoint Sri. Gopinathan C.K as Director of the Bank

Special Business

4. To appoint Sri. Arun Rao M.G as Director of the Bank
5. To appoint Sri. K.N Murali as Independent Director of the Bank
6. To authorize the Board of Directors to arrange for the audit of the Bank's branches and to appoint and fix the remuneration of branch auditors in consultation with the Statutory Central Auditors



7. To authorize the Board of Directors to issue redeemable secured / unsecured non-convertible debentures (NCDs)

Chairman informed the Members that Shri. Arun Rao M.G has resigned from the Board of the Bank due to his inconvenience to take up the duties and responsibilities of a Director amidst other professional assignments and some personal commitments and has requested to withdraw his nomination for directorship in the 91st Annual General Meeting of the Bank. Accordingly, item no. 4 of the Notice proposing the candidature of directorship of Shri. Arun Rao M.G stood withdrawn.

After transacting all the above business, Chairman invited Members to put up their suggestions and questions on the performance of the Bank. Several Members asked queries on a variety of subjects related to the Bank and also gave numerous suggestions. Chairman replied to the queries by Members.

Shri. Gopinathan C.K, Director delivered the vote of thanks to the Chair and other participants of the Meeting.

Chairman informed that the details of the voting results along with Scrutinizer's report will be available on the website of the Bank and will also be informed to the Stock Exchanges where the shares of the Bank are listed, in accordance with the provisions of the Companies Act, 2013 and the SEBI Regulations.

Chairman thanked all the Members for their dignified conduct in the Meeting and declared the Meeting as concluded at 11.30 A.M.

This summary of the proceedings is furnished pending approval of the Minutes of the Meeting by Chairman.



Santosh Kumar Barik
Company Secretary



CHAIRMAN'S SPEECH AT THE 91ST ANNUAL GENERAL MEETING

A very good morning to all....

I deem it as a privilege to welcome you all to the 91st Annual General Meeting of "The Dhanlaxmi Bank Limited". On behalf of the Board of Directors and all my colleagues, I thank you all for joining us today. The Annual Report, including the Audited Financial Statements for the year ended March 31, 2018 are already with you and with your kind permission, I take them as read. Before scanning through your Bank's performance during the financial year 2017-18, I would like to share with you all briefly the present macroeconomic and banking scenarios.

At the outset, let me thank you all for the tremendous support and the faith you have shown in the Bank and its Management. The past year was a year of contrasts for the global economy as recovery remained uneven across countries. Global growth improved due to strong economic activity in emerging economies while prospects of advanced economies were marred due to the persistence of high unemployment in USA & Europe and continuing sovereign debt crises in the Euro Zone. A steep surge in crude oil prices due to the political and stability crisis in the Middle East and North Africa nations has created price challenges for the emerging economies.

GLOBAL ECONOMY

The global economic upswing that began around mid-2016 has become broader and stronger. This new World Economic Outlook report projects that advanced economies as a group will continue to expand above their potential growth rates this year and next before decelerating, while growth in emerging market and developing economies will rise before leveling off.

INDIAN ECONOMY

India has become the world's sixth-biggest economy, pushing France into seventh place, according to updated World Bank figures for 2017. India's economy rebounded strongly from July 2017, after several quarters of slow down blamed on economic policies pursued by government. India, with around 1.34 billion inhabitants, is poised to become the World's most populous nation.



According to the International Monetary Fund, India is projected to generate growth of 7.4 percent this year and 7.8 percent in 2019, boosted by household spending and tax reforms. This compares to the world's expected average growth of 3.9 percent.

The London based Centre for Economics and Business Research, a consultancy, said at the end of last year that India would overtake both Britain and France this year in terms of GDP, and has a good chance to become the world's third biggest economy by 2032.

Performance of your Bank

Coming to the salient features of the Bank's performance for the financial year ended March 31, 2018:

Major Developments in the Bank

- ✧ Operating Profit improved by 55.39% from Rs.94.07 crore to Rs.146.18 crore, which is the highest ever in the history of the bank
- ✧ Net interest income grew by 4.28% from Rs.331.60 crore to Rs.345.80 crore
- ✧ Net Interest Margin improved from 2.76% to 2.90%
- ✧ CRAR improved from 10.26% to 13.87%
- ✧ Total expenses reduced by 14.06% from Rs.1106.00 crore to Rs.969.61 crore
- ✧ Interest expenditure reduced by 13.47% from Rs.757.45 crore to Rs.667.52 crore
- ✧ Operating expenses reduced by 15.37% from Rs.348.55 crore to Rs.302.09 crore
- ✧ Cost of deposits reduced by 64bps, from 6.48% to 5.84%
- ✧ Cost of funds also reduced by 63bps (Y-o-Y basis), from 6.61% to 5.98%
- ✧ Cost income ratio reduced from 78.75% to 67.39%
- ✧ Provision coverage ratio as on 31.03.2018 is 80.02%

Bank achieved an operating profit of Rs.146.18 Crore for the year ended March 31, 2018. In view of higher provisions, Bank incurred Net Loss of Rs.24.87 Crore. On a conservative basis, Bank provided in full for gratuity liability of Rs.7.61 Crore, mark-to-market losses on investments of Rs.19.81 Crore and full provision for an account in the Gems & Jewellery sector of Rs.50 Crore.

In the current financial year, Bank is mainly focusing on the growth of retail loans, non interest income, current and savings bank deposit and reduction of non performing assets.



Capital and Reserves

The Bank's Paid up capital and reserves was Rs.749.46 Crore as on 31.03.2018. The capital adequacy ratio as per Basel II and Basel III was 14.15% and 13.87% respectively as against the stipulated levels of 9% and 10.875% respectively.

Total Business

The total Business of the Bank as on 31.03.2018 was Rs.17436.06 Crore as against Rs.17976.69 Crore as on 31.03.2017.

Deposits

The total Deposits of the Bank was Rs.10919.66 Crore as on 31.03.2018 as against Rs.11293.68 Crore as on 31.03.2017

Advances

The Bank's total advance was Rs.6516.40 Crore as on 31.3.2018 as against Rs.6683.01 Crore as on 31.03.2017.

Profitability

The bank's operating profit during the year was Rs.146.18 Crore as against Rs.94.07 Crore during the previous year. The bank declared a net loss of Rs.24.87 Crore during the year under report and for the previous year, the bank had net profit of Rs 12.38 Crore.

Corporate Social Responsibility (CSR):

The Bank's CSR policy strictly conforms to the guidelines of RBI and Ministry of Corporate Affairs.

In alliance with Thrissur Management Association, the Bank had initiated in the year 2010 scholarship programs for deserving MBA students seeking financial assistance. During the year 2017-18, the Bank gave scholarship to two MBA students.

The Bank had participated in the event, "TCS Fit4life Corporate Challenge" to promote awareness on physical fitness amongst the work force and to contribute towards a social cause. More than 130 employees from the Bank participated in the 10 kms marathon held on February 18th, 2018 at Kochi. Bank had won the Trophy for the highest number of female participation by a Corporate.



Border Security Force (BSF), which was formed in 1965, is the World's largest Border Guarding Force and have been serving our nation with utmost dedication and devotion. In the memory of their Martyrs, BSF had conducted a Half Marathon and a 5 km Run throughout the country on 22nd October, 2017. More than 50 employees from our Bank participated in the event so as to raise funds for the families of those Martyrs who had sacrificed their lives on duty while safeguarding our motherland.

Kerala was inundated with heavy floods in August 2018, leading to massive destruction of life and property. Considering the gravity of the damage caused and being one of the Bankers to various State owned institutions and also as a goodwill gesture, your Bank has contributed an amount of Rs.1 crore to the Chief Minister's Distress Relief Fund.

Goals for FY 2017 - 2018:

Your Bank is committed to sound governance practices, proactive management and long term customer relationships. Going forward, the Bank hopes to focus on efficiency of operations without compromising on growth and quality. The Bank would try to bring down the level of non-performing assets by intensifying recovery steps and generate profits through various measures including rationalization of expenses. The bank would try to protect and further improve the current levels of its key financials like net interest margin, return on assets, earnings per share, etc through focus on low-cost deposit mobilization, improvement in non-interest income, appropriate pricing of deposits and loans and effective credit monitoring.

I solicit continued support from the valued shareholders such as yourself and all other stakeholders for our long journey forward.

Acknowledgement

Finally, On behalf of the board, I express my profound gratitude to all our shareholders and customers for their unanimous support, steadfast faith and confidence reposed in our Bank and Team Dhanlaxmi.

I sincerely thank all my colleagues on the Board for their support and immense encouragement and my heartfelt appreciation to all my colleagues at Dhanlaxmi Bank for their dedication and commitment.

I would also like to take this opportunity to place on record the board's appreciation for all the help and support extended to the Bank by Reserve Bank of India. I am also



thankful to the Securities and Exchange Board of India, the Insurance Regulatory and Development Authority, UIDAI, FIU, Ministry of Finance, Government of India, State Government, the stock exchanges and numerous banks and financial institutions for their valuable support during the year.

I am confident that with your continued support, FY 2018-2019 will be a year of productivity and high growth.

Thank you, Ladies and Gentlemen for your valuable time and attention.

