



SII: 86 / 2016-17

August 11, 2016

The General Manager, Department of Corporate Services, BSE Limited 1 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 unaudited financial results for the quarter ended June 30, 2016 along with the Limited Review Report on the same. The results/report were taken on record by the Board of Directors at its meeting held on August 11, 2016.

The Board meeting concluded at 5.30 P.M.

Thanking you,

Yours faithfully,

Santosh Kumar Barik
Company Secretary



K. VENKATACHALAM AIYER & Co.
CHARTERED ACCOUNTANTS

No.41/3647B, First Floor
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INDEPENDENT AUDITORS' 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** ("the Bank") for the quarter ended 30th June 2016 ("the Statement"), being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except for the matters set out in Para 5 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 the Companies Act 2013, read with relevant rules issued thereunder in so far as they apply to Banking Companies and Circulars and guidelines issued by the Reserve Bank of India (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 the 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. In the conduct of our Review, we have relied on the review reports received from the concurrent auditors of 58 branches appointed by the Bank and 20 branches audited by the inspectors of the Bank. These review reports cover 70% of the advances portfolio of the bank. Apart from these review reports, in the conduct of our review, we have also relied upon various returns received from the branches of the bank.





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4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the Statement, prepared in accordance with the aforesaid Accounting Standards and other Accounting Principles generally accepted in India in so far as they apply to Banking Companies and Circulars and guidelines issued by the RBI from time to time, 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 the financial results for the quarter ended 30th June 2016 contains any material misstatement or 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.
5. The Pillar 3 disclosures and the leverage ratio under Basel III Capital Regulations as set out in Note No.8 of the Statement have not been subjected to our review.
6. Attention is drawn to :-
 - a) Note No. 9 of the statement regarding deferment of shortfall arising from the sale of certain Non Performing Assets during the year 2015-16 in terms of RBI Master Circular DBR.No.BP.BC.2/21.04.048/2015-16- Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances, dated July 1, 2015 as amended and the unamortized balance as at 30th June 2016 of Rs 9.40 crores
 - b) Note No. 10 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 K Venkatachalam Aiyer & Co,

Chartered Accountants

Firm Registration No.004610S


CA. K. Narayanan

Membership no. 7024

Kochi, 11 August, 2016



DHANLAXMI BANK LIMITED.
Registered & Corporate Office: P. B No.9, Dhanalakshmi Buildings,
Naickanal, Thrissur – 680 001
CIN: L65191KL1927PLC000307

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2016

Particulars	Quarter ended			Year ended
	30-Jun-16	31-Mar-16	30-Jun-15	31-Mar-16
	Unaudited	Audited#	Unaudited	Audited
1. Interest earned (a)+(b)+(c)+(d)	28107	29312	31863	120427
(a) Interest/discount on advances/bills	20108	20223	22811	83428
(b) Income on investments	7163	8189	8046	32760
(c) Interest on balances with Reserve Bank of India and other interbank funds	381	417	503	2212
(d) Others	455	483	503	2027
2. Other income	1971	3086	1554	7673
3.Total Income (1 + 2)	30078	32398	33417	128100
4. Interest expended	19486	21113	23556	89960
5. Operating expenses (a) + (b)	9557	11795	8603	37812
(a) Employees cost	5539	6350	4783	21315
(b) Other operating expenses	4018	5445	3820	16497
6. Total Expenditure (4+5) (excluding provisions and contingencies)	29043	32908	32159	127772
7. Operating Profit(+)/Loss(-) before provisions and contingencies (3-6)	1035	(510)	1258	328
8. Provisions (other than tax) and Contingencies	462	2087	3529	10710
9. Exceptional items	-	9234	-	9234
10. Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9)	573	(11831)	(2271)	(19616)
11. Tax expense	-	1329	-	1329
12. Net Profit(+)/Loss (-) from Ordinary Activities after tax (10-11)	573	(13160)	(2271)	(20945)
13. Extraordinary items (net of tax expense)	-	-	-	-
14. Net Profit (+)/Loss (-) for the period (12-13)	573	(13160)	(2271)	(20945)
15. Paid-up equity share capital (Face value Rs.10)	17744	17744	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
(ii) Capital Adequacy Ratio as per: Basel III	7.44%	7.51%	9.20%	7.51%
(iii) Earnings Per Share(EPS) in Rupees -Basic EPS (Before and after Extra ordinary items) -Diluted EPS (Before and after Extra ordinary items)	0.32* 0.32*	(7.42)* (7.42)*	(1.28)* (1.28)*	(11.80) (11.80)
(iv) NPA Ratios				
- Gross NPA	47549	45892	62728	45892
- Net NPA	19766	19319	29952	19319
- % of Gross NPA	7.02%	6.36%	8.45%	6.36%
- % of Net NPA	3.04%	2.78%	4.22%	2.78%
(v) Return on Assets (average) – (Annualized)	0.19%*	(1.61)%	(0.70%)*	(1.61)%

*Not Annualized

Refer Note 4

SEGMENT REPORTING FOR THE QUARTER ENDED JUNE 30, 2016

Part A: Business Segments

(Rs in Lakhs)

Particulars	Quarter ended			Year ended
	30-Jun-16	31-Mar-16	30-Jun-15	31-Mar-16
	(Unaudited)	(Audited)#	(Unaudited)	(Audited)
1. Segment Revenue				
(a) Treasury	8260	13927	9394	33583
(b) Retail Banking	10357	8575	14077	45394
(c) Corporate/ Wholesale Banking	11461	9896	9674	49123
(d) Other Banking Operations	-	-	-	-
(e) Unallocated	-	-	-	-
Total Revenue	30078	32398	33145	128100
Less: Inter-Segment Revenue	-	-	-	-
Income from Operations	30078	32398	33145	128100
2. Segment Results(Net of Provisions)				
(a) Treasury	821	(487)	374	(789)
(b) Retail Banking	770	919	527	3322
(c) Corporate/ Wholesale Banking	(556)	(1220)	357	(2483)
(d) Other Banking Operations	-	-	-	-
(e) Unallocated	-	-	-	-
Total	1035	(788)	1258	50
Less : (i) Interest	-	-	-	-
(ii) Other Unallocable Expenditure net-off	462	11043	3529	19666
(iii) Unallocable income	-	-	-	-
Profit (+)/Loss(-) before tax	573	(11831)	(2271)	(19616)
3. Capital Employed				
(a) Treasury	9831	3503	11073	3503
(b) Retail Banking	14224	11108	30487	11108
(c) Corporate/ Wholesale Banking	20557	29473	20705	29473
(d) Other Banking Operations	-	-	-	-
(e) Unallocated	6711	6711	8049	6711
Total	51323	50795	70314	50795

#Refer Note 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

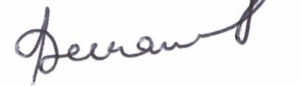
1. The above audited financial results for the quarter ended 30 June 2016, were reviewed by the Audit Committee and recommended for approval to and approved by the Board of Directors at its meeting held on Aug 11, 2016. These Results have been subjected to "Limited Review" by the Statutory Central Auditors of the Bank.
2. The working results for the quarter ended 30 June, 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.
3. There has been no change in the accounting policies followed during the quarter ended 30 June 2016, as compared to those followed in the preceding financial year ended 31st March, 2016.
4. The figures for the quarter ended 31st March, 2016 are the balancing figure between audited figures in respect of the full financial year and the year to date figures up to the end of the third quarter of the relevant financial year.
5. In accordance with RBI Circular DBR.BP.BC.No.31/21.04.018/15-16 dated 16-07-2015, the Bank has classified deposits placed with NABARD/SIDBI/NHB for meeting shortfall in Priority Sector Lending under 'Other Assets' which was hitherto included under 'Investments and Income on such deposits included under Interest earned others'(hitherto included under is Income on Investments). Figures for the previous periods have also been regrouped to conform to the current period's classification. This change in classification has no impact on the financial result of the Bank for the quarter ended 30 June, 2016 or previous periods.
6. During the year ended March 31,2016, provision for Pension/ DA increase to Retired/VRS opted employees in the years 2000 to 2010 amounting to Rs 89.56 crore has been created in the account based on the liability ascertained as per present annuity rates and included under exceptional items. This exceptional items also includes prior period Provision for Sick Leave to employees Rs. 2.25 crores and prior period Depreciation Rs. 0.53 crores.
7. During the year ended March 31, 2016 Income Tax paid during earlier years to the tune of Rs.13.29 crores was written off based on the review of the position of the cases as on March 31, 2016 before various appellate authorities by the management.
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 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 Audit.
9. 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 June, 2016 and the unamortized balance of Rs. 9.40 crores will be carried over and amortized over the next six quarters.

10. The Management reviewed the recoverability of the possible tax benefit against the timing difference and decided to retain the Deferred Tax Asset of Rs. 37.06 crores in the financial statement for the quarter ended 30th June, 2016.
11. Provision Coverage Ratio as on 30-06-2016 is 75.54%.
12. Details of investor complaints for the quarter ended 30 June, 2016:
Beginning - Nil; Received - 1; Disposed off - 1; Closing - Nil
13. The figures for the previous quarter/year have been regrouped wherever necessary to conform to the current period's classification.

Place: Kochi

Date: 11th August, 2016

By Order of the Board



(G. Sreeram)

Managing Director & CEO

(DIN: 05143385)