

Fax No. 022 – 26598237/38/66418124/25/26

SH: 478 /2011-12

October 14, 2011

The Manager
Listing Department
National Stock Exchange of India Ltd
Exchange Plaza,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051.

Dear Sir,

DHANBANK

Sub : Compliance of Clause 36 of the Listing Agreement.

Ref : The news item appearing in the 'The Economic Times' on October 13, 2011

This has reference reports in sections of the media about representations/allegations made by certain groups/associations about the Bank and its financials.

We wish to clarify that the allegations are baseless and a motivated attempt by one of the officers' associations which has been de-recognized by the Bank.

As you are aware, the Indian banking system in general and the private sector banks in particular, including Dhanlaxmi Bank, are subject to healthy supervision in the form of regulations from the Central Bank, as well as several different types of audits and inspections ranging from Statutory Audit to Reserve Bank's annual financial inspection. In fact, the Reserve Bank has recently conducted and completed the Annual Financial Inspection of the Bank's overall performance.

Moreover, Reserve Bank of India only last week also granted the Bank's MD & CEO, Mr. Amitabh Chaturvedi, a second term.

Such healthy governance has stood us in good stead and hence all the allegations are incorrect and are not based on facts. The allegations contain many falsehoods. For instance, it has been alleged that the Bank has borrowed high cost funds in the form of Certificate of Deposits of about Rs.2500 Cr. whereas; the Bank itself has sought rating for a maximum of Rs. 1,500 Cr. of Certificate of Deposits.

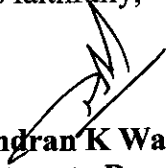
In the past three years, the Bank has witnessed excellent growth and healthy financials with deposits growing from Rs.3,608 Cr. in FY08 to Rs 12,530 Cr. in FY11 (247% growth) and

loans from Rs. 2,102 Cr. to Rs. 9,065 Cr, (over 330% growth). This performance bears testimony to the support and the confidence the Bank enjoys from its customers, regulators and other stakeholders. Hence, as you will notice, the campaign seems to be the handiwork of some misguided employees and some rank outsiders who have no stake in the well-being of the institution.

The allegations are baseless which appear to have the sole purpose of destabilizing the Bank's successful track record.

Thanking you,

Yours faithfully,


Ravindran K Warriar
Secretary to Board &
Company Secretary