

SH: 34 / 2016-17

May 30, 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 Scrip Code : 532180	The Manager Listing Department National Stock Exchange of India Limited 'Exchange Plaza', Bandra – Kurla Complex Bandra (E), Mumbai – 400 051 Scrip Code : DHANBANK
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Dear Sir,

Sub: Compliance of Reg. 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, please find enclosed the audited financial results for the quarter and year ended March 31, 2016 along with the Auditor's Report on the same. The results / report were taken on record by the Board of Directors at its meeting held on May 30, 2016.

The Board of Directors has not recommended any dividend for the financial year 2015-16.

This is for your kind information and records.

Thanking you,

Yours faithfully,


Santosh Kumar Barik
Company Secretary

DHANLAXMI BANK LIMITED.

CIN: L65191KL1927PLC000307

Registered & Corporate Office: P. B No.9, Dhanalakshmi Buildings,
Naickanal, Thrissur – 680 001

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2016

(Rs in Lakhs)

Particulars	Quarter ended			Year ended	
	31-Mar-16	31-Dec-15	31-Mar-15	31-Mar-16	31-Mar-15
	#Audited	Unaudited	#Audited	Audited	Audited
1. Interest earned (a)+(b)+(c)+(d)	29312	29336	31518	120427	128359
(a) Interest/discount on advances/bills	20223	19577	21620	83428	89385
(b) Income on investments	8189	8656	9078	32760	33015
(c) Interest on balances with Reserve Bank of India and other interbank funds	417	174	650	2212	3366
(d) Others	483	929	170	2027	2593
2. Other income	3086	1536	2187	7673	8495
3.Total Income (1 + 2)	32398	30872	33705	128100	136854
4. Interest expended	21113	22502	23801	89960	98475
5. Operating expenses (a) + (b)	11795	9328	11476	37812	36721
(a) Employees cost	6350	5505	7303	21315	21147
(b) Other operating expenses	5445	3823	4173	16497	15574
6. Total Expenditure (4+5) (excluding provisions and contingencies)	32908	31830	35277	127772	135196
7. Operating Profit(+)/Loss(-) before provisions and contingencies (3-6)	(510)	(958)	(1572)	328	1658
8. Provisions (other than tax) and Contingencies	2087	4601	25089	10710	26706
9. Exceptional items	9234	-	-	9234	(901)
10. Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9)	(11831)	(5559)	(26661)	(19616)	(24147)
11. Tax expense	1329	-	-	1329	-
12. Net Profit(+)/Loss (-) from Ordinary Activities after tax (10-11)	(13160)	(5559)	(26661)	(20945)	(24147)
13. Extraordinary items (net of tax expense)	-	-	-	-	-
14. Net Profit (+)/Loss (-) for the period (12-13)	(13160)	(5559)	(26661)	(20945)	(24147)
15. Paid-up equity share capital (Face value Rs.10)	17744	17744	17744	17744	17744
16. Reserves excluding Revaluation Reserves	-	-	-	23797	44742

17. Analytical Ratios					
(i) Percentage of share holding of Government of India	Nil	Nil	Nil	Nil	Nil
(ii) Capital Adequacy Ratio as per: Basel III	7.51%	9.06%	9.59%	7.51%	9.59%
(iii) Earnings Per Share(EPS) in Rupees					
-Basic EPS (Before and after Extra ordinary items)	(7.42)*	(3.13)*	(15.03)*	(11.80)	(13.61)
-Diluted EPS (Before and after Extra ordinary items)	(7.42)*	(3.13)*	(15.03)*	(11.80)	(13.61)
(iv) NPA Ratios					
- Gross NPA	45892	68851	55829	45892	55829
- Net NPA	19319	30811	25263	19319	25263
- % of Gross NPA	6.36%	9.69%	7.00%	6.36%	7.00%
- % of Net NPA	2.78%	4.58%	3.29%	2.78%	3.29%
(v) Return on Assets (average) – (Annualized)	(1.61)%	(1.68)%	(7.91)%	(1.61)%	(1.77)%

*Not Annualized

Refer Note 5

Notes

- Statement of Assets and Liabilities as on March 31, 2016 is given below:

(Rs. in Lakhs)

Particulars	March 31, 2016 (Audited)	March 31, 2015 (Audited)
CAPITAL AND LIABILITIES		
Capital	17744	17744
Reserves and Surplus	33051	54641
Deposits	1135376	1238168
Borrowings	25185	94135
Other Liabilities and Provisions	34942	30503
Total	1246298	1435191
ASSETS		
Cash and Balances with Reserve Bank of India	57948	66933
Balances with Banks and Money at Call and Short Notice	25365	62079
Investments	379224	449665
Advances	695268	766981
Fixed Assets	17892	20280
Other Assets	70601	69253
Total	1246298	1435191

- The above audited financial results for the quarter and year ended 31st March 2016, were reviewed by the Audit Committee and recommended for approval to and approved by the Board of Directors at its meeting held on May 30, 2016. These Results have been subjected to "Audit" by the Statutory Central Auditors of the Bank.
- The working results for the quarter and year ended 31st March, 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.

4. There has been no change in the accounting policies followed during the quarter and year ended 31st March 2016, as compared to those followed in the preceding financial year ended 31st March, 2015.
5. The figures for the quarter ended 31st March, 2016 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures 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.
6. 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 results of the Bank for the quarter and year ended 31st March, 2016 or previous periods.
7. The provision for the liability towards Pension/ DA increase due to Retired/VRS opted employees in the years 2000 to 2010 amounting to Rs.89.56 crore has been created in the accounts based on the liability ascertained as per present annuity rates and included under exceptional items. Exceptional items also include liability towards prior period Provision for the benefits due towards Sick Leave to employees for Rs. 2.25 crores and prior period Depreciation on fixed assets for Rs. 0.53 crores.
8. Income Tax paid during earlier years to the extent of Rs.13.29 crores was written off based on the review by the management of the present status of the appeals before various appellate authorities.
9. 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.
10. During the year ended 31st March, 2016, the Bank assigned certain Non performing financial assets for a total value of Rs. 28.84 crores 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, the shortfall in the recovery of Net Book Value of these financial assets amounting to Rs. 12.54 crores will be written off 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/year ended 31st March, 2016 and the balance of Rs. 10.97 crores will be amortized over the next seven quarters.

11. The Management reviewed the recoverability of the possible tax benefits against the timing differences and accordingly decided to retain the Deferred Tax Asset of Rs. 37.06 crores in the financial statement for the year ended 31st March, 2016.
12. Provision Coverage Ratio as on 31-03-2016 is 75.67%.
13. Details of investor complaints for the quarter ended 31st March, 2016:
Beginning - Nil; Received - 76; Disposed off - 76; Closing - Nil
14. The figures for the previous quarter/year have been regrouped wherever necessary to conform to the current period's classification.

SEGMENT REPORTING FOR THE QUARTER AND YEAR ENDED MARCH 31, 2016

Part A: Business Segments

(Rs in Lakhs)

Particulars	Quarter ended			Year ended	
	31-Mar-16	31-Dec-15	31-Mar-15	31-Mar-16	31-Mar-15
	#(Audited)	(Unaudited)	#(Audited)	(Audited)	(Audited)
1. Segment Revenue					
(a) Treasury	13927	985	9768	33583	40456
(b) Retail Banking	8575	12438	13670	45394	54041
(c) Corporate/ Wholesale Banking	9896	17456	10067	49123	41751
(d) Other Banking Operations	-	-	-	-	-
(e) Unallocated	-	(7)	200	-	606
Total Revenue	32398	30872	33705	128100	136854
Less: Inter-Segment Revenue	-	-	-	-	-
Income from Operations	32398	30872	33705	128100	136854
2. Segment Results(Net of Provisions)					
(a) Treasury	(487)	(1699)	116	(789)	1725
(b) Retail Banking	919	2067	(1047)	3322	(310)
(c) Corporate/ Wholesale Banking	(1220)	(1319)	(841)	(2483)	(363)
(d) Other Banking Operations	-	-	-	-	-
(e) Unallocated	-	(7)	200	-	606
Total	(788)	(958)	(1572)	50	1658
Less : (i) Interest	-	-	-	-	-
(ii) Other Unallocable Expenditure net-off	11043	4601	25089	19666	25805
(iii) Unallocable income	-	-	-	-	-
Profit (+)/Loss(-) before tax	(11831)	(5559)	(26661)	(19616)	(24147)
3. Capital Employed					
(a) Treasury	3503	38983	12540	3503	12540
(b) Retail Banking	11108	5425	29382	11108	29382
(c) Corporate/ Wholesale Banking	29473	12069	22421	29473	22421
(d) Other Banking Operations	-	-	-	-	-
(e) Unallocated	6711	8078	8043	6711	8043
Total	50795	64555	72386	50795	72386

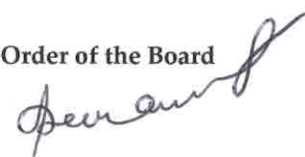
Refer Note 5

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.

By Order of the Board



(G. Sreeram)

Managing Director & CEO

Place: Thrissur

Date: 30th May, 2016



K. VENKATACHALAM AIYER & Co.

CHARTERED ACCOUNTANTS

No 41/3647B, First Floor
BLUE BIRD TOWERS
Providence Road, Ernakulam
KOCCH - 682 018

Tel : (0484) 2396511, 2396513
Email : kviyerckm@gmail.com

**INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS OF
DHANLAXMI BANK LIMITED**

1. We have audited the accompanying Statement of Financial Results of **DHANLAXMI BANK LIMITED** ("the Bank") for the year ended 31st March, 2016 ("the Statement"), being submitted by the Bank pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement, which is the responsibility of the Bank's Management and approved by the Board of Directors, has been prepared on the basis of the related financial statements for the year ended 31st March, 2016 prepared in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949, Accounting Standards prescribed under Section 133 of the Companies Act, 2013, as applicable to banks, other accounting principles generally accepted in India and the Guidelines issued by the Reserve Bank of India. Our responsibility is to express an opinion on the Statement.
2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial results are free from material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, and evaluating the overall presentation of the Statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
3. In our opinion and to the best of our information and according to the explanations given to us, and based on the audit reports received from the Branch Auditors for the branches/offices audited by them, the Statement:
 - i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ; and
 - ii. the financial results give a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net loss and other financial information of the Bank for the year ended 31st March, 2016 .





K. VENKATACHALAM AIYER & Co.
CHARTERED ACCOUNTANTS

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Kochi - 682 018

Tel : (0484) 2396511, 2396513
Email : kviyerekm@gmail.com

4. The Statement includes the financial results for the quarter ended 31st March, 2016 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the three quarters ended 31st December, 2015 of the current financial year, which were previously subjected to limited review by us

Emphasis of Matter

5. We invite attention to:-

- i) Note No. 10 of the Statement regarding deferment of shortfall arising from the sale of certain Non Performing Assets during the year ended 31st March, 2016 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 and the unamortised balance as at 31st March, 2016 of Rs. 10.97 crores.
- ii) Note No. 11 of the Statement regarding retention of deferred tax asset amounting to Rs 37.06 crores.

Our report is not qualified in respect of these matters.

For K. Venkatachalam Aiyer & Co

Chartered Accountants

Firm Registration No. 004610S

K. Narayanan

Partner

Membership No. 07024



Place: Thrissur

Date: 30th May, 2016.

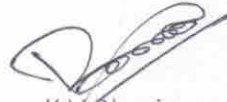
FORM A

1	Name of the Company	:	Dhanlaxmi Bank Limited
2	Annual standalone for the year ended	:	31 March, 2016
3	Type of Audit Observation	:	Emphasis of Matter
4	Frequency of observation	:	First Time

For Dhanlaxmi Bank Limited



G. Sreeram
Managing Director & CEO



K V Bhasi
Chief Financial Officer

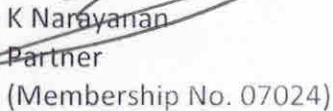


Chella K Srinivasan
Audit Committee Chairperson

Place: Thrissur
Date : 30 May 2016

Refer our Audit Report dated 30th May, 2016 on the Audited Financial Results of the Bank for the Quarter and Year ended 31st March, 2016.

For K Venkatachalam Aiyer & Co,
Chartered Accountants
(Firm's Registration No. 0046105)



K Narayanan
Partner
(Membership No. 07024)

Place: Thrissur
Date : 30 May 2016