

SH: 47 / 2020-21

August 03, 2020

<p>The General Manager, Department of Corporate Services, <b>BSE Limited</b> I Floor, New Trading Ring, Rotunda Building, P J Towers, Dalal Street Fort, Mumbai – 400 001</p>	<p>The Manager, Listing Department, <b>National Stock Exchange of India Limited</b> 'Exchange Plaza', Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051</p>
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Dear Sir,

**Sub: Compliance of Reg.33 of SEBI (LODR) Regulations, 2015**

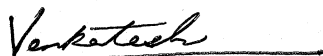
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Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the unaudited financial results for the quarter ended June 30, 2020 along with the Limited Review Report on the same. The results/report were approved and taken on record by the Board of Directors at its meeting held on August 03, 2020 at 5:30 P.M

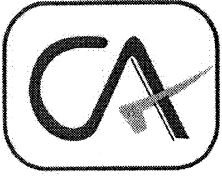
Please take the same on record.

Thanking you,

Yours faithfully,



Venkatesh H  
Company Secretary & Secretary to the Board



**P.B. Vijayaraghavan & Co.,**  
**Chartered Accountants**

**Head Office**

14, (Old No. 27) Cathedral Garden Road,  
Nungambakkam, Chennai - 600 034.

Tel : +91-44-2826 3918 / 3490

Mobile : +91-098401 88734

Fax : +91-44-2827 6519

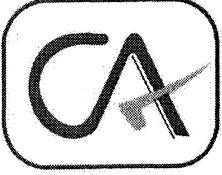
e-mail : admin@pbv.co.in

Limited Review Report on unaudited financial results of The Dhanlaxmi Bank Limited for the quarter ended 30<sup>th</sup> June 2020, pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

To The Board of Directors of The Dhanlaxmi Bank Limited.

1. We have reviewed the accompanying statement unaudited financial results of The Dhanlaxmi Bank Limited ("the Bank") for the quarter ended 30<sup>th</sup> June, 2020 ("the Statement") attached herewith, being submitted by the Bank pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended except for the disclosures relating to Pillar 3 disclosure under Basel III Capital Regulations as at 30<sup>th</sup> June 2020, including Leverage Ratio and Liquidity Coverage Ratio as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid Statement, which have not been reviewed by us.
2. The statement, which is the responsibility of the Bank's Management and has been approved by the Bank's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard - 25 'Interim Financial Reporting' (AS-25), prescribed under section 133 of the Companies Act, 2013, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time, SEBI circular CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July, 2016 and other accounting principles generally accepted in India. Our responsibility is to issue a report on the statement based on our review.
3. We conducted our review 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 company 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.





**P.B. Vijayaraghavan & Co.,**  
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4. Our review primarily is conducted on the basis of review of the books of account and records of the Bank. We have also relied on the information and explanations furnished to us by the Bank and the returns as considered necessary by us for the review.
5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.
6. We draw attention to Note No.5 of the accompanying statements regarding the impact of COVID-19 pandemic. As stated therein the extent to which the COVID-19 pandemic will impact the Bank's future results will depend on related developments, which remain highly uncertain. Our opinion is not modified in respect of this matter.

Place: Chennai

Date: 03<sup>rd</sup> August 2020

For P.B.Vijayaraghavan & Co.,

Chartered Accountants

FRN:004721S

P.B.Santhanakrishnan

Partner

M.No.020309

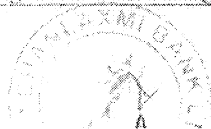
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**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2020**

(Rs in Lakh)

Particulars	Quarter ended			Year ended
	30-Jun-20	31-Mar-20	30-Jun-19	31-Mar-20
	Unaudited	Audited	Unaudited	Audited
1. Interest earned (a)+(b)+(c)+(d)	23665	24293	24043	98759
(a) Interest/discount on advances/bills	16725	16972	16528	69426
(b) Income on investments	6173	6499	7044	26924
(c) Interest on balances with Reserve Bank of India and other interbank funds	420	412	87	848
(d) Others	347	410	384	1561
2. Other income	4197	3005	1632	11285
3. Total Income ( 1 + 2)	27862	28098	25675	110044
4. Interest expended	15759	15739	15034	61441
5. Operating expenses (a) + (b)	7792	8380	7730	32406
(a) Employees cost	4534	4928	4289	18462
(b) Other operating expenses	3258	3452	3441	13944
6. Total Expenditure (4+5) (excluding provisions and contingencies)	23551	24119	22764	93847
7. Operating Profit(+) / Loss(-) before provisions and contingencies (3-6)	4311	3979	2911	16197
8. Provisions (other than tax) and Contingencies	3702	5689	927	11589
9. Exceptional items	-	-	-	-
10. Profit (+) / Loss (-) from Ordinary Activities before tax (7-8-9)	609	(1710)	1984	4608
11. Tax expense	-	(1970)	-	(1970)
12. Net Profit(+) / Loss (-) from Ordinary Activities after tax (10-11)	609	260	1984	6578
13. Extraordinary items (net of tax expense)	-	-	-	-
14. Net Profit (+) / Loss (-) for the period (12-13)	609	260	1984	6578
15. Paid-up equity share capital (Face value Rs.10)	25301	25301	25301	25301
16. Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)				43475
17. Analytical Ratios				
(i) Percentage of share holding of Government of India	Nil	Nil	Nil	Nil



(ii) Capital Adequacy Ratio as per Basel III	13.94%	14.41%	13.85%	14.41%
(iii) Earnings Per Share(EPS) in Rupees				
-Basic EPS (Before and after Extra ordinary items)	0.24*	0.10*	0.78*	2.60
-Diluted EPS (Before and after Extra ordinary items)	0.24*	0.10*	0.78*	2.60
(iv) NPA Ratios				
- Gross NPA	46445	40122	49648	40122
- Net NPA	14004	10094	14520	10094
- % of Gross NPA	6.89%	5.90%	7.61%	5.90%
- % of Net NPA	2.18%	1.55%	2.35%	1.55%
(v) Return on Assets (average) – (Annualized)	0.20%	0.55%	0.68%	0.55%

\*Not Annualized

## SEGMENTWISE RESULTS

### Part A: Business Segments

(Rs in Lakh)

Particulars	Quarter ended			Year ended
	30-Jun-20	31-Mar-20	30-Jun-19	31-Mar-20
	Unaudited	Audited	Unaudited	Audited
<b>1. Segment Revenue</b>				
(a) Treasury	9775	8522	7285	30464
(b) Retail Banking	9951	11875	8635	45757
(c) Corporate/ Wholesale Banking	8136	7701	9755	33823
(d) Other Banking Operations	-	-	-	-
(e) Unallocated	-	-	-	-
<b>Total Revenue</b>	<b>27862</b>	<b>28098</b>	<b>25675</b>	<b>110044</b>
Less: Inter-Segment Revenue	-	-	-	-
<b>Income from Operations</b>	<b>27862</b>	<b>28098</b>	<b>25675</b>	<b>110044</b>
<b>2. Segment Results(Net of Provisions)</b>				
(a) Treasury	4121	3180	1683	9226
(b) Retail Banking	459	1275	1255	7165
(c) Corporate/ Wholesale Banking	(269)	(476)	(27)	(194)
(d) Other Banking Operations	-	-	-	-
(e) Unallocated	-	-	-	-
<b>Total</b>	<b>4311</b>	<b>3979</b>	<b>2911</b>	<b>16197</b>
Less:(i) Interest	-	-	-	-
(ii) Other Un-allocable Expenditure net-off	3702	5689	927	11589
(iii) Un-allocable income	-	-	-	-
<b>Profit (+)/Loss(-) before tax</b>	<b>609</b>	<b>(1710)</b>	<b>1984</b>	<b>4608</b>
<b>3. Segment Assets</b>				
(a) Treasury	483574	449627	435279	449627
(b) Retail Banking	397636	407303	312639	407303
(c) Corporate/ Wholesale Banking	352055	359025	414428	359025
(d) Other Banking Operations	-	-	-	-
(e) Unallocated	10554	10554	8494	10554
<b>Total</b>	<b>1243819</b>	<b>1226509</b>	<b>1170840</b>	<b>1226509</b>
<b>4. Segment Liabilities</b>				
(a) Treasury	407300	382624	399157	382624
(b) Retail Banking	399507	404675	298242	404675

(d) Other Banking Operations	-	-	-	-
(e) Unallocated	-	-	-	-
<b>Total</b>	<b>1160518</b>	<b>1143818</b>	<b>1092743</b>	<b>1143818</b>
<b>5. Capital Employed (Segment Assets-Segment Liabilities)</b>				
(a) Treasury	76274	67003	36122	67003
(b) Retail Banking	(1871)	2628	14397	2628
(c) Corporate/ Wholesale Banking	(1656)	2506	19084	2506
(d) Other Banking Operations	-	-	-	-
(e) Unallocated	10553	10554	8494	10554
<b>Total</b>	<b>83300</b>	<b>82691</b>	<b>78097</b>	<b>82691</b>

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

- The above unaudited financial results for the quarter ended 30<sup>th</sup> June 2020 were reviewed by the Audit Committee and recommended for approval to and approved by the Board of Directors at its meeting held on August 3, 2020. These Results have been subjected to "Limited Review" by the Statutory Auditors of the Bank and an unqualified report has been issued by them.
- The working results for the quarter ended 30<sup>th</sup> June, 2020 have been arrived at after making provision for tax, if any, adhoc provision for arrears of salary pending settlement and other usual and necessary provisions on current estimates and will be revised based on the year end financials.  
  
Provisions for Non-Performing Assets, Standard Assets, restructured advances, Advances under COVID-19 Regulatory Package, exposures to entities with un-hedged foreign currency exposure, additional provision for stressed sectors, Non-Performing Investments and Depreciation on Investments are arrived as per the guidelines and prudential norms issued by the Reserve Bank of India.
- The Bank has followed the same significant accounting policies in the preparation of quarterly financial results as those followed in the annual financial statements for the year ended 31<sup>st</sup> March 2020.
- In accordance with RBI circular DBR No BP.BC.1/21.06.201/2015-16 dated 1<sup>st</sup> 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](http://www.dhanbank.com/investor_relations/inv_basel.aspx). These disclosures have not been subjected to Review by the Statutory Auditors.
- The spread of COVID-19 across the globe has resulted in decline in economic activity and increase in volatility in financial markets. The extent to which the COVID-19 pandemic will impact the Bank's future results will depend on related developments, which remain highly uncertain. Despite these conditions, there is not likely to be any significant impact on the liquidity position of the bank

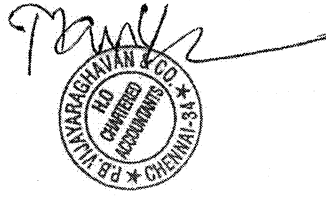
As per the Board approved policy, the Bank had offered moratorium on repayment of loan installments and/or deferment of interest due between March 1, 2020 to August 31, 2020 in accordance with the COVID -19 Regulatory Package announced by RBI on March 27, 2020, April 17, 2020, and May 23, 2020 with regard to provide relief to borrowers on account of COVID-19 pandemic whose accounts were standard as on February 29, 2020 without considering the same as restructuring. Accordingly, during March 2020, Bank had provided Rs. 37.88 Crs on such



loans, where moratorium is extended. Similarly, for the quarter ended 30<sup>th</sup> June 2020, an additional amount of Rs.7.97 Crs for such advances is provided.

6. The Bank has made an adhoc provision of Rs. 4.09 Crs for the quarter ended 30<sup>th</sup> June 2020 towards the salary revision due from 1<sup>st</sup> November 2017, under 'Provisions and contingencies'.
7. The Deferred Tax Asset ('DTA') of Rs. 56.76 Crs has been retained on a conservative approach.
8. 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.
9. Investor complaints – Pending at the beginning of the quarter – Nil  
Received during the quarter – 1  
Disposed during the quarter – 1  
Unresolved at the end of quarter – Nil
10. Provision coverage ratio as on 30-06-2020 is 86.78 %.
11. Figures for the quarter ended 31<sup>st</sup> March 2020 are the balancing figures between the audited figures in respect of the full financial year ended 31<sup>st</sup> March 2020 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.
12. The figures for the previous period have been re-grouped/re-arranged wherever necessary to conform to the current period's classification.

Place: Thrissur  
Date: 3<sup>rd</sup> August 2020



By Order of the Board

(Sunil Garbaxani)

Managing Director & CEO

(DIN: 08569205)