

DHANLAXMI BANK LIMITED.

Registered & Corporate Office: P. B No.9, Dhanalakshmi Buildings,

Naickanal, Thrissur – 680 001

CIN: L65191KL1927PLC000307

**AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020**

(Rs in Lakh)

Particulars	Quarter ended			Year ended	
	31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
	Audited	Unaudited	Audited	Audited	Audited
1. Interest earned (a)+(b)+(c)+(d)	24293	25088	24184	98759	97149
(a) Interest/discount on advances/bills	16972	17911	15947	69426	63403
(b) Income on investments	6499	6612	7477	26924	30883
(c) Interest on balances with Reserve Bank of India and other interbank funds	412	192	373	848	1164
(d) Others	410	373	387	1561	1699
2. Other income	3805	3497	2713	11285	5273
<b>3.Total Income (1 + 2)</b>	<b>28098</b>	<b>28585</b>	<b>26897</b>	<b>110044</b>	<b>102422</b>
4. Interest expended	15739	15398	15485	61441	62472
5. Operating expenses (a) + (b)	8380	8624	7024	32406	30458
(a) Employees cost	4928	5013	3295	18462	16143
(b) Other operating expenses	3452	3611	3729	13944	14315
<b>6. Total Expenditure (4+5) (excluding provisions and contingencies)</b>	<b>24119</b>	<b>24022</b>	<b>22509</b>	<b>93847</b>	<b>92930</b>
<b>7. Operating Profit(+)/Loss(-) before provisions and contingencies (3-6)</b>	<b>3979</b>	<b>4563</b>	<b>4388</b>	<b>16197</b>	<b>9493</b>
8. Provisions (other than tax) and Contingencies	5689	2435	1627	11589	8326
9. Exceptional items	-	-	-	-	-
<b>10. Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9)</b>	<b>(1710)</b>	<b>2128</b>	<b>2761</b>	<b>4608</b>	<b>1167</b>
11. Tax expense	(1970)	-	-	(1970)	-
<b>12. Net Profit(+)/Loss (-) from Ordinary Activities after tax (10-11)</b>	<b>260</b>	<b>2128</b>	<b>2761</b>	<b>6578</b>	<b>1167</b>
13. Extraordinary items (net of tax expense)	-	-	-	-	-
<b>14. Net Profit (+)/Loss (-) for the period (12-13)</b>	<b>260</b>	<b>2128</b>	<b>2761</b>	<b>6578</b>	<b>1167</b>
15. Paid-up equity share capital (Face value Rs.10)	25301	25301	25301	25301	25301
16. Reserves excluding Revaluation Reserves( as per balance sheet of previous accounting year)				43475	36844



<b>17. Analytical Ratios</b>					
(i) Percentage of share holding of Government of India	Nil	Nil	Nil	Nil	Nil
(ii) Capital Adequacy Ratio as per Basel III	14.41%	13.55%	13.75%	14.41%	13.75%
(iii) Earnings Per Share(EPS) in Rupees					
-Basic EPS (Before and after Extra ordinary items)	0.10*	0.84*	1.09*	2.60	0.46
-Diluted EPS (Before and after Extra ordinary items)	0.10*	0.84*	1.09*	2.60	0.46
(iv) NPA Ratios					
- Gross NPA	40122	49047	49584	40122	49584
- Net NPA	10094	10521	15171	10094	15171
- % of Gross NPA	5.90%	7.13%	7.47%	5.90%	7.47%
- % of Net NPA	1.55%	1.62%	2.41%	1.55%	2.41%
(v) Return on Assets (average) – (Annualized)	0.55%	0.71%	0.10%	0.55%	0.10%

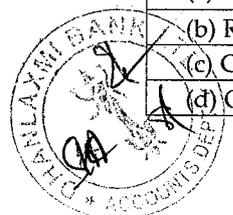
\*Not Annualized

## SEGMENTWISE RESULTS

### Part A: Business Segments

(Rs in Lakh)

Particulars	Quarter ended			Year ended	
	31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
	Audited	Unaudited	Audited	Audited	Audited
<b>1. Segment Revenue</b>					
(a) Treasury	8522	7162	8099	30464	28842
(b) Retail Banking	11875	12114	11046	45757	39041
(c) Corporate/ Wholesale Banking	7701	9309	7752	33823	34539
(d) Other Banking Operations	-	-	-	-	-
(e) Unallocated	-	-	-	-	-
<b>Total Revenue</b>	<b>28098</b>	<b>28585</b>	<b>26897</b>	<b>110044</b>	<b>102422</b>
Less: Inter-Segment Revenue	-	-	-	-	-
<b>Income from Operations</b>	<b>28098</b>	<b>28585</b>	<b>26897</b>	<b>110044</b>	<b>102422</b>
<b>2. Segment Results(Net of Provisions)</b>					
(a) Treasury	3180	2134	3528	9226	5854
(b) Retail Banking	1275	2586	986	7165	4112
(c) Corporate/ Wholesale Banking	(476)	(157)	(125)	(194)	(473)
(d) Other Banking Operations	-	-	-	-	-
(e) Unallocated	-	-	-	-	-
<b>Total</b>	<b>3979</b>	<b>4563</b>	<b>4389</b>	<b>16197</b>	<b>9493</b>
Less : (i) Interest	-	-	-	-	-
(ii) Other Un-allocable Expenditure net-off	5689	2435	1627	11589	8326
(iii) Un-allocable income	-	-	-	-	-
<b>Profit (+)/Loss(-) before tax</b>	<b>(1710)</b>	<b>2128</b>	<b>2762</b>	<b>4608</b>	<b>1167</b>
<b>3. Segment Assets</b>					
(a) Treasury	449627	429202	431489	449627	431489
(b) Retail Banking	407303	399868	369510	407303	369510
(c) Corporate/ Wholesale Banking	359025	369109	370398	359025	370398
(d) Other Banking Operations	-	-	-	-	-



(e) Unallocated	10554	8556	8492	10554	8492
<b>Total</b>	<b>1226509</b>	<b>1206735</b>	<b>1179889</b>	<b>1226509</b>	<b>1179889</b>
<b>4. Segment Liabilities</b>					
(a) Treasury	382624	381678	401433	382624	401433
(b) Retail Banking	404675	386166	350750	404675	350750
(c) Corporate/ Wholesale Banking	356519	356461	351593	356519	351593
(d) Other Banking Operations	-	-	-	-	-
(e) Unallocated	-	-	-	-	-
<b>Total</b>	<b>1143818</b>	<b>1124305</b>	<b>1103776</b>	<b>1143818</b>	<b>1103776</b>
<b>5. Capital Employed (Segment Assets- Segment Liabilities)</b>					
(a) Treasury	67003	47524	30056	67003	30056
(b) Retail Banking	2628	13702	18760	2628	18760
(c) Corporate/ Wholesale Banking	2506	12648	18805	2506	18805
(d) Other Banking Operations	-	-	-	-	-
(e) Unallocated	10554	8556	8492	10554	8492
<b>Total</b>	<b>82691</b>	<b>82430</b>	<b>76113</b>	<b>82691</b>	<b>76113</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

1. Statement of Assets and Liabilities as on March 31, 2020 is given below;

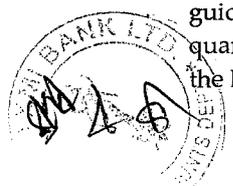
Rs. In Lakh

Particulars	As on 31.03.2020 (Audited)	As on 31.03.2019 (Audited)
<b>Capital and Liabilities</b>		
Capital	25301	25301
Reserve and Surplus	57390	50812
Deposits	1090407	1060332
Borrowings	17750	20040
Other Liabilities and Provisions	35661	23404
<b>Total</b>	<b>1226509</b>	<b>1179889</b>
<b>Assets</b>		
Cash and Balances with Reserve Bank of India	54852	55744
Balances with Banks and Money at call and Short Notice	58082	6584
Investments	368240	403670
Advances	649610	628928
Fixed Assets	21370	20202
Other Assets	74355	64760
<b>Total</b>	<b>1226509</b>	<b>1179889</b>



2. The above audited financial results for the quarter and year ended 31st March 2020 were reviewed by the Audit Committee of the Board and recommended for approval to the Board of Directors and the Board of Directors approved the same at its meeting held on June 22, 2020. These Results have been subjected to "Audit" by the Statutory Central Auditors of the Bank.
3. The working results for the quarter and year ended 31st March, 2020 have been arrived at after making provision for tax, if any, and other usual and necessary provisions, provisions for Non-Performing Assets, Standard Assets, restructured advances, exposures to entities with un-hedged foreign currency exposure, additional provision for stressed sectors, Non-Performing Investments and Depreciation on Investments 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 2020 as compared to those followed in the preceding financial year ended 31st March 2019.
5. 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](http://www.dhanbank.com/investor_relations/inv_basel.aspx). These disclosures have not been subjected to Review by the Statutory Auditors.
6. No Divergence was observed by the RBI for Financial year 2018-19 in respect of bank's asset classification and provisioning under the Extant Prudential Norms on Income Recognition, Asset Classification and Provisioning. Hence the bank has not exceeded the limit specified under RBI Circular DBR.BP.BC.No.63/21.04.018/2016-17 dated April 18, 2017 and DBR.BP.BC.No.32/21.04.018/2018-19 dated April 1, 2019 on 'Divergence in the Asset Classification and Provisioning.'
7. The Bank exercised the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Bank has recognized Provision for Income Tax. Bank has also re-measured its deferred tax assets (DTA) as on 31st March 2020. The effect of change in the deferred tax assets based on the rate prescribed in the above section has also been recognized at Rs. 19.70 Crs (write back) towards DTA.
8. In the month of March 2020, SARS-CoV-2 virus responsible for COVID-19 continued to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian financial markets and a significant decrease in global and local economic outlook and activities due to lock down. On March 11, 2020, the COVID-19 outbreak was declared as a global pandemic by the World Health Organization. On March 24, 2020 the Indian government announced a strict 21-day lockdown which was further extended across the country to contain the spread of the virus. The extent to which the COVID-19 pandemic will impact the Bank's future results will depend on related developments, which remain highly uncertain. Major challenges for the Bank would arise from extended working capital cycle and dwindling cash flows. Despite these conditions, there is not likely to be any significant impact on the liquidity position of the bank

In accordance with the 'COVID-19 Regulatory Packages' announced by the RBI on March 27, 2020 and April 17, 2020 ('the RBI guidelines'), with regard to providing relief to borrowers' on account of COVID-19 pandemic whose accounts were standard as on February 29, 2020, the Bank, as per the Board approved policy had offered moratorium on repayment of loan installments and/or deferment of interest due between March 1, 2020 and May 31, 2020 including relaxation in certain parameters, to all eligible borrowers, without considering the same as restructuring. Further on May 22, 2020, RBI has permitted the Banks to extend such benefits to eligible borrowers for another three months, from June 1, 2020 to August 31, 2020. In accordance with the RBI guidelines, the Bank is required to make provision @ 10% of outstanding advances over two quarters beginning with quarter ending March 31, 2020 in respect of such borrowers whose accounts, these benefits/relaxations are extended as per RBI guidelines. The Bank, as a prudent measure, has made the entire 10% provision amounting to Rs. 37.88 Crs in the quarter ending 31st March 2020 and it is grouped under 'Other liabilities and Provisions' in the Balance sheet of the Bank.



9. Bank has made an adhoc provision of Rs. 3.94 Crs for the quarter ended 31<sup>st</sup> March 2020 (Total provision during the financial year 2019-20 is Rs. 15.97 Crs) towards the salary revision due from 1<sup>st</sup> November 2017, under 'Provisions and Contingencies'.
10. 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.
11. 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
12. Provision coverage ratio as on 31-03-2020 is 89.87 %.
13. Figures for the last quarter in each of the years are the balancing figures between the audited figures in respect of full financial year 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.
14. 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: 22<sup>nd</sup> June 2020

By Order of the Board



(Sunil Gurbaxani)  
Managing Director & CEO



**Dhanlaxmi Bank Limited**  
Cash Flow statement for the year ended March 31,2020

(Rupees in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Cash flow from operating activities</b>		
Net profit before income tax	6,578	1,167
<b>Adjustments for :</b>		
Depreciation on fixed assets net of reversal of revaluation reserve	1,332	1,126
Depreciation on Investments	(656)	(1,058)
Amortisation of premia on investments	1,213	1,050
Loan Loss provisions including write off	5,854	7,469
Provision against standard assets	115	(195)
General provision for Advances under Covid 19 Regulatory package	3,788	-
Provision for Deferred Tax Asset	(1,970)	-
Provision for restructured assets	(7)	2
Provision for fraud	(1)	(4)
(Profit)/ Loss on sale of fixed assets	1	29
Provision for unhedged Forex Exposure	-	(83)
<b>Adjustments for :</b>		
(Increase)/ Decrease in Investments	34,873	32,798
(Increase)/ Decrease in Advances	(26,528)	(25,350)
Increase / (Decrease) in Borrowings	-	(9,697)
Increase/ (Decrease) in Deposits	30,075	(31,634)
(Increase) / Decrease in Other assets	(7,532)	10,745
Increase/ (Decrease) in Other liabilities and provisions	8,355	1,169
Direct taxes paid (net of refunds)	(91)	(1,906)
<b>Net cash flow from operating activities</b>	<b>55,397</b>	<b>(14,372)</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(2,564)	(6,505)
Proceeds from sale of fixed assets	64	5,523
<b>Net cash used in investing activities</b>	<b>(2,500)</b>	<b>(981)</b>
<b>Cash flows from financing activities</b>		
Proceeds / (Repayment) of Upper and Lower Tier II capital instruments	(2,290)	(9,480)
<b>Net cash generated from financing activities</b>	<b>(2,290)</b>	<b>(9,480)</b>
<b>Net increase in cash and cash equivalents</b>	<b>50,607</b>	<b>(24,833)</b>
Cash and cash equivalents as at April 1st	62,327	87,161
Cash and cash equivalents as at March 31st	112,934	62,328

**Note:**

Components of Cash and Cash Equivalents as at:	31.03.2020	31.03.2019
Cash and Balance with Reserve Bank of India (RBI)	54,852	55,744
Balances with Banks and Money at Call and Short Notice	58,082	6,584
<b>Total</b>	<b>112,934</b>	<b>62,328</b>

Thrissur  
Date: 22nd June 2020

  
*[Handwritten Signature]*

By Order of the Board  
*[Handwritten Signature]*  
(Sunil Gurbaxani)  
Managing Director & CEO

