

DhanlaxmiBank established 1977

DHANLAXMI BANK LIMITED.

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

CIN: L65191KL1927PLC000307

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022

Particulars	Quarter ended			Half year ended		Year ended
	30.09.22	30.06.22	30.09.21	30.09.22	30.09.21	31.03.22
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Interest earned (a)+(b)+(c)+(d)	26250	25837	22901	52087	44711	91664
(a) Interest/discount on advances/bills	20136	19704	16183	39840	31690	65012
(b) Income on investments	5872	5908	6061	11780	11711	24563
(c) Interest on balances with Reserve Bank of India and other interbank funds	33	29	417	62	813	1143
(d) Others	209	196	240	405	497	946
2. Other income	2276	(2155)	3778	121	6591	16912
3. Total Income (1 + 2)	28526	23682	26679	52208	51302	108576
4. Interest expended	14606	14107	13835	28713	27695	55432
5. Operating expenses (a) + (b)	10385	10077	10218	20462	19371	39714
(a) Employee's cost	6083	6014	6265	12097	11740	23461
(b) Other operating expenses	4302	4063	3953	8365	7631	16253
6. Total Expenditure (4+5) (excluding provisions and contingencies)	24991	24184	24053	49175	47066	95146
7. Operating Profit (+)/Loss (-) before provisions and contingencies (3-6)	3535	(502)	2626	3033	4236	13430
8. Provisions (other than tax) and Contingencies	1946	2141	2260	4087	3191	9721
9. Exceptional items	-	-	-	-	-	-



10. Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9)	1589	(2643)	366	(1054)	1045	3709
11. Tax expense	-	-	-	-	-	119
12. Net Profit (+)/Loss (-) from Ordinary Activities after tax (10-11)	1589	(2643)	366	(1054)	1045	3590
13. Extraordinary items (net of tax expense)	-	-	-	-	-	-
14. Net Profit (+)/Loss (-) for the period (12-13)	1589	(2643)	366	(1054)	1045	3590
15. Paid-up equity share capital (Face value Rs.10)	25301	25301	25301	25301	25301	25301
16. Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)						50892
17. Analytical Ratios						
(i) Percentage of shareholding of Government of India	Nil	Nil	Nil	Nil	Nil	Nil
(ii) Capital Adequacy Ratio as per Basel III	12.32%	12.19%	13.64%	12.32%	13.64%	12.98%
(iii) Earnings Per Share (EPS) in Rupees						
-Basic EPS (Before and after Extra ordinary items)	0.63*	(1.04) *	0.14*	(0.42) *	0.41*	1.42
-Diluted EPS (Before and after Extra ordinary items)	0.63*	(1.04) *	0.14*	(0.42) *	0.41*	1.42
(iv) NPA Ratios						
- Gross NPA	54975	55382	60415	54975	60415	53354
- Net NPA	20285	22603	32955	20285	32955	23216
- % of Gross NPA	6.04%	6.35%	8.67%	6.04%	8.67%	6.32%
- % of Net NPA	2.32%	2.69%	4.92%	2.32%	4.92%	2.85%
(v) Return on Assets (average) – (Annualized)	(0.15%)	(0.76%)	0.16%	(0.15%)	0.16%	0.27%
(vi) Net worth	66487	65089	64742	66487	64742	67663
(vii) Debt Equity Ratio (in times) **	0.23	0.23	0.23	0.23	0.23	0.22
(viii) Total Debts to Total Assets***	4.00%	3.21%	1.13%	4.00%	1.13%	1.09%

*Not Annualized

** Debt represents borrowings with residual maturity of more than one year.

***Total debts represent total borrowings of the bank.



SEGMENTWISE RESULTS

Part A: Business Segments

(Rs in Lakh)

Particulars	Quarter ended			Half year ended		Year ended
	30.09.22	30.06.22	30.09.21	30.09.22	30.09.21	31.03.22
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Segment Revenue						
(a) Treasury	5744	1624	8383	7368	16006	33892
(b) Retail Banking	13699	12930	10958	26629	21602	41768
(c) Corporate/ Wholesale Banking	9084	9128	7338	18212	13694	32916
(d) Other Banking Operations	-	-	-	-	-	-
(e) Unallocated	-	-	-	-	-	-
Total Revenue	28527	23682	26679	52209	51302	108576
Less: Inter-Segment Revenue	-	-	-	-	-	-
Income from Operations	28527	23682	26679	52209	51302	108576
2. Segment Results (Net of Provisions)						
(a) Treasury	862	(2899)	2969	(2037)	5254	16393
(b) Retail Banking	2023	1877	240	3900	108	568
(c) Corporate/ Wholesale Banking	650	520	(583)	1170	(1126)	(3531)
(d) Other Banking Operations	-	-	-	-	-	-
(e) Unallocated	-	-	-	-	-	-
Total	3535	(502)	2626	3033	4236	13430
Less :(i) Interest	-	-	-	-	-	-
(ii) Other Un- allocable Expenditure net-off	1946	2141	2260	4087	3191	9721
(iii) Un-allocable income	-	-	-	-	-	-
Profit (+)/Loss (-) before tax	1589	(2643)	366	(1054)	1045	3709
3. Segment Assets						
(a) Treasury	436735	438871	529414	436735	529414	429136
(b) Retail Banking	573169	544185	463846	573169	463846	498973
(c) Corporate/ Wholesale Banking	429752	423771	319810	429752	319810	441423
(d) Other Banking Operations	-	-	-	-	-	-
(e) Unallocated	10120	10095	10119	10120	10119	10044
Total	1449776	1416922	1323189	1449776	1323189	1379576
4. Segment Liabilities						
(a) Treasury	421458	423830	464045	421458	464045	45058



(b) Retail Banking	536850	509204	456763	536850	456763	475691
(c) Corporate/ Wholesale Banking	402521	396531	314927	402521	314927	420826
(d) Other Banking Operations	-	-	-	-	-	-
(e) Unallocated	-	-	-	-	-	-
Total	1360829	1329565	1235735	1360829	1235735	1289575
5. Capital Employed (Segment Assets- Segment Liabilities)						
(a) Treasury	15277	15041	65369	15277	65369	36078
(b) Retail Banking	36319	34981	7083	36319	7083	23282
(c) Corporate/ Wholesale Banking	27231	27240	4883	27231	4883	20597
(d) Other Banking Operations	-	-	-	-	-	-
(e) Unallocated	10120	10095	10119	10120	10119	10044
Total	88947	87357	87454	88947	87454	90001

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.

For the purpose of the disclosure under Accounting Standard 17 - Segment Reporting, issued by the Institute of Chartered Accountants of India (ICAI), 'Digital Banking' has been identified as a sub segment under the existing 'Retail Banking' segment. Bank has not set up separate 'Digital Banking Unit' (DBU) as on 30th September 2022 as per RBI circular No. RBI/2022-23/19 DOR AUT.REC.12/22.01.001/2022-23 dated April 7 2022 and existing digital banking products are forming part of 'Retail Banking' segment only.

Part B: Geographical segments

The Bank has only the domestic geographic segment.



Notes

1. Statement of Assets and Liabilities as on September 30, 2022.

(Rs. In Lakh)

Particulars	30.09.2022	30.09.2021	31.03.2022
	Unaudited	Unaudited	Audited
Capital and Liabilities			
Capital	25301	25301	25301
Reserves and Surplus	63645	62153	64699
Deposits	1274763	1191796	1240289
Borrowings	57987	15000	15000
Other Liabilities and Provisions	28080	28939	34287
Total	1449776	1323189	1379576
Assets			
Cash and Balances with Reserve Bank of India	76393	106585	70840
Balances with Bank and Money at Call and Short Notice	3123	1726	2744
Investments	406084	459377	404406
Advances	876226	669594	814198
Fixed Assets	22394	22323	22100
Other Assets	65556	63584	65288
Total	1449776	1323189	1379576

- The above unaudited financial results for the quarter ended September 30, 2022, were reviewed by the Audit Committee and recommended for approval to and approved by the Board of Directors at its meeting held on November 9, 2022, subject to Note No.15 below. These Results have been subjected to "Limited Review" by the Statutory Auditors of the Bank, M/s Krishnamoorthy & Krishnamoorthy, Chartered Accountants and an unqualified report has been issued by them.
- The Bank has followed the same significant accounting policies in the preparation of interim financial results as those followed in the annual financial statements for the year ended March 31, 2022.
- 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 profit/loss on revaluation of investments.
- The financial results have been arrived at after considering provision for standard assets, provision for non-performing assets (NPAs), Provision for Non-performing Investments, Provision for Unhedged Foreign Currency exposures 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 are arrived as per the guidelines and prudential norms issued by the Reserve Bank of India.
- In accordance with RBI Circular DBR.No.BP.BC.1/21.06.201/2015-16 on Basel III Capital Regulations dated July 01, 2015, RBI Circular DBR.No.BP.BC.80/21.06.201/2014-15 dated March 31, 2015 - Prudential Guidelines on Capital Adequacy and Liquidity Standards - Amendments and RBI



Circular DBR.BP.BC.No.106/21.04.098/2017-18 dated May 17, 2018 - 'Basel III Framework on Liquidity Standards – Net Stable Funding Ratio (NSFR) – Final Guidelines', Banks are required to make Pillar 3 disclosure requirements including Leverage Ratio disclosure requirements that are to be made along with the publication of Financial Results. The Bank has made these disclosures which are available in its website at the following link:

<https://www.dhanbank.com/pillar-iii-disclosure/>. These disclosures have not been subjected to Audit/Review by the Statutory Auditors.

8. The Deferred Tax Asset ('DTA') of Rs. 5013 lakhs have been retained on a conservative approach.
9. The loans transferred/ acquired during the half-year ended September 30, 2022 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 is Nil.
10. Details of resolution plan implemented under Resolution framework for Covid -19 related stress as per RBI Circular dated August 6, 2020 (Resolution framework 1.0) and as per RBI circular dated May 5, 2021 (Resolution Framework 2.0) are given below.

(Rs. In Lakhs)

Type of Borrower	(A)	(B)	(C)	(D)	(E)
	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of previous half year 31.03.2022*	Of (A), aggregate debt that slipped into NPA during the half year	Of (A) amount written off during the half year	Of (A) amount paid by the borrowers during the half year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of year 30.09.2022*
Personal Loans	2399.52	8.45	-	214.81	2,317.09
Others	9777.75	73.41	-	1506.75	8,894.01
Corporate Persons	8146.41	3404.87	-	1,405.18	7409.82
Total under RFCS	20323.68	3486.73	-	3126.74	18620.92
Of Corporate Persons, MSME	4162.46	-	-	423.33	4,175.56

*Excluding other facilities to the borrower which have not been restructured.

11. Number of borrower accounts where modifications were sanctioned and implemented in terms of Clause 22 of Circular No. RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dt. May 5, 2021, 'Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses' are as follows;

No. of Accounts	4
Aggregate Exposure as on September 30, 2022 (Rs. In lakhs)	1464.11



12. Reserve Bank of India vide letter dated October 4, 2021 has permitted all member banks of Indian Banks' Association covered under the 11th Bipartite Settlement to amortize the additional liability on account of revision in family pension over a period not exceeding five years, beginning with the Financial Year ended March 31, 2022. The bank has recognized the entire additional liability estimated at Rs. 1429 Lakhs and opted to amortize the same over a period of five years beginning with the financial year ended March 31, 2022. Accordingly, an amount of Rs. 142 lakhs have been amortized during the half year ended September 30, 2022 in respect of the said estimated additional liability and the balance amounting to Rs.1000 Lakhs has been carried forward as unamortized expenditure.
13. RBI Circular DBR. No.BP.BC.92/21.04.048/2015-16 dated April 18, 2016 grants banks an option to spread the provisioning for frauds, over a period of four quarters. Bank had exercised this option in respect of two advances with outstanding balance of Rs.13, 720.20 lakh declared as fraud during this financial year, against which provision of Rs.5,593.87 lakh was held in the first quarter ended June 30,2022. During the quarter ended Sept 30, 2022, bank provided Rs.2,178.83 lakh being 1/4th of the additional provision required to be made over and above NPA provisions held. Consequently, if the entire provision as above is made during the current quarter/ half-year, the Net profit for the quarter would have been lower and Net loss for the half year would have been higher by a sum of Rs.5, 614.81 lakh. Meanwhile, in one account, Rs.332.69 lakh has been recovered during this financial year after fraud classification.
14. Investor complaints – Pending at the beginning of the quarter – Nil
Received during the quarter – Nil
Disposed during the quarter – Nil
Unresolved at the end of quarter – Nil
15. The composition of Board, Audit Committee and other mandatory Committees of the Board are not in compliance with regulatory provisions, since the Bank is not in a position to appoint new directors as the matter of appointment of directors is sub judice. The financial results have been recommended/ approved by the existing ACB/ Board respectively, since it is a statutory agenda as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
16. Provision coverage ratio (Including Technical Write off) as on September 30, 2022 is 83.25 %.
17. 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: 9th November 2022

By Order of the Board



(Shivan J K)

Managing Director & CEO

(DIN-09008166)



Dhanlaxmi Bank Limited
Cash Flow Statement for the half year ended September 30, 2022

Rs. In Lakhs

Particulars	Half Year ended		Year ended
	30.09.2022	30.09.2021	31.03.2022
	Unaudited	Unaudited	Audited
Cash flow from operating activities			
Net profit before income tax	(1,054)	1,045	3,590
Adjustments for:			
Depreciation on fixed assets net of reversal of revaluation reserve	1,045	998	2,002
Depreciation on Investments	4,338	(1,827)	(6,735)
Amortization of premia on investments	1,003	870	1,842
Amortization of Deferred Employee Benefits	143	-	286
Loan Loss provisions including write off	4,619	1,864	4,989
Provision against standard assets	225	(1,208)	(1,386)
Provision for Deferred Tax Asset	-	-	119
Provision for NPA (Investments)	(330)	1,224	5,746
Provision for restructured assets	(545)	1,309	2,980
Provision for fraud	116	-	(1)
(Profit)/ Loss on sale of fixed assets	(60)	(8)	(22)
Provision for unhedged Forex Exposure	4	5	12
Adjustments for:			
(Increase)/ Decrease in Investments	(6,689)	(15,748)	38,638
(Increase)/ Decrease in Advances	(66,102)	5,973	(1,43,427)
Increase / (Decrease) in Borrowings	42,987	-	-
Increase/ (Decrease) in Deposits	34,474	20,605	69,089



(Increase) / Decrease in Other assets	(335)	2,494	430
Increase/ (Decrease) in other liabilities and provisions	(6,553)	(6,908)	(1,387)
Direct taxes paid (net of refunds)	(75)	(54)	(99)
Net cash flow from/ (used in) operating activities	7,211	10,634	(23,326)
Cash flows from investing activities			
Purchase of fixed assets	(1,340)	(830)	(1,615)
Proceeds from sale of fixed assets	61	10	28
Net cash flow from/ (used in) investing activities	(1,279)	(820)	(1,587)
Cash flows from financing activities			
Proceeds / (Repayment) of Upper and Lower Tier II capital instruments net of repayment	-	-	-
Net cash generated from/ (used in) financing activities	-	-	-
Net increase/ (decrease) in cash and cash equivalents	5,932	9,814	(24,913)
Cash and cash equivalents as at April 1st	73,584	98,497	98,497
Cash and cash equivalents as at September 30th	79,516	1,08,311	73,584

Note:

Components of Cash and Cash Equivalents as at:	30.09.2022	30.09.2021	31.03.2022
Cash and Balance with Reserve Bank of India (RBI)	76,393	1,06,585	70,840
Balances with Banks and Money at Call and Short Notice	3,123	1,726	2,744
Total	79,516	1,08,311	73,584

By Order of the Board

Shivan J K

(Shivan J K)

Managing Director & CEO

(DIN-09008166)

Place: Thrissur

Date: 9th November 2022

