

SH: 151 / 2022-23

January 31, 2023

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	The Manager, Listing Department, <b>National Stock Exchange of India Limited</b> 'Exchange Plaza', Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051
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Dear Sir,

**Sub: Unaudited Financial Results for the quarter / nine months ended December 31, 2022**

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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 / nine months ended December 31, 2022, 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 January 31, 2023.

The Board Meeting commenced at *12.30 P.M* and approved the results at *01.45 P.M*

Please take the same on record.

Thanking you,

Yours faithfully,



Venkatesh. H  
Company Secretary & Secretary to the Board



**Independent Auditors' Limited Review Report on Unaudited Financial Results of Dhanlaxmi Bank Limited for the quarter and nine months ended December 31, 2022 pursuant to Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (as amended).**

**To the Board of Directors of Dhanlaxmi Bank Limited**

1. We have reviewed the accompanying Statement of Unaudited Financial Results of Dhanlaxmi Bank Limited ('the Bank') for the quarter and nine months ended December 31, 2022 ("the Statement") attached herewith, being submitted by the Bank pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, as amended ("the Regulations") except for the disclosures relating to Pillar 3 disclosure under Basel III Capital Regulations as at December 31, 2022 including Leverage Ratio, Liquidity Coverage Ratio and Net Stable Funding Ratio as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid Statement and have not been reviewed by us. This Statement is the responsibility of the Bank's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. This statement, which is the responsibility of the Bank's Management and approved by the 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"), as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, 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 ("RBI Guidelines") and other accounting principles generally accepted in India.



**BRANCHES AT**  
2B, Aashiyana, Paliyam Road, Thrissur - 680001  
105 Sindhu Baravi, Whitefield Main Road, Bangalore - 560 066



3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (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 statements is free of material misstatement. A review is limited primarily to inquiries of the bank's personnel and analytical and other review 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.
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 and 52 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.

#### **Emphasis of Matter Paragraph**

6. We draw attention to note no. 6 of the statement regarding amortization of additional liability on account of revision in family pension amounting to Rs. 1429 Lakhs. As stated therein, the bank has charged an amount of Rs. 72 Lakhs/ Rs. 214 Lakhs to the profit and loss account during the



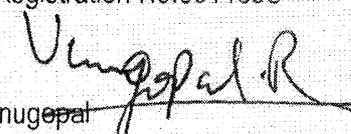


quarter/nine months ended December 31, 2022 and the balance unamortized expenditure of Rs. Rs.929 Lakhs has been carried forward.

7. We draw attention to note no. 7 of the statement regarding allocation of provision for frauds over a period of four quarters in respect of two advances with outstanding balance of Rs. 13,610.48 Lakhs declared as fraud during this financial year, against which provision of Rs. 7,772.70 Lakhs was held up to September 30, 2022 and a recovery of Rs. 616.76 lakhs (Rs.407.75 lakh towards principle and Rs.209.01 lakh towards interest) were made against one of the accounts. As stated therein, the bank has charged an amount of Rs. 2,121.00 Lakhs to the profit and loss account for the quarter ended December 31, 2022 being 1/4<sup>th</sup> of the additional provision required to be made over and above NPA provisions held. Had the bank charged the entire provision to the profit and loss account, the Net profit for the quarter/ nine months ended December 31, 2022 would have been lower by a sum of Rs. 3,309.03 Lakhs.

Our conclusion is not modified in respect of these matters.

For Krishnamoorthy & Krishnamoorthy  
Chartered Accountants  
Firm Registration No.001488S

  
R. Venugopal  
Partner

Membership No: 202632  
UDIN: 23202632BGTcra1096

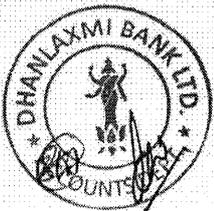


Place: Thrissur  
Date: January 31<sup>st</sup>, 2023

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2022

(Rs in Lakh)

Particulars	Quarter ended			Nine Months ended		Year ended
	31-Dec-22	30-Sep-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Mar-22
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Interest earned (a)+(b)+(c)+(d)	27626	26250	23463	79713	68173	91664
(a) Interest/discount on advances/bills	21481	20136	16346	61321	48035	65012
(b) Income on investments	5901	5872	6676	17681	18387	24563
(c) Interest on balances with Reserve Bank of India and other interbank funds	63	33	219	125	1032	1143
(d) Others	181	209	222	586	719	946
2. Other income	3592	2276	3453	3713	10045	16912
<b>3.Total Income (1 + 2)</b>	<b>31218</b>	<b>28526</b>	<b>26916</b>	<b>83426</b>	<b>78218</b>	<b>108576</b>
4. Interest expended	14940	14606	13889	43653	41584	55432
5. Operating expenses (a) + (b)	10847	10385	10195	31309	29566	39714
(a) Employee's cost	6222	6083	6006	18319	17746	23461
(b) Other operating expenses	4625	4302	4189	12990	11820	16253
<b>6. Total Expenditure (4+5) (excluding provisions and contingencies)</b>	<b>25787</b>	<b>24991</b>	<b>24084</b>	<b>74962</b>	<b>71150</b>	<b>95146</b>
<b>7. Operating Profit (+)/ Loss(-) before provisions and contingencies (3-6)</b>	<b>5431</b>	<b>3535</b>	<b>2832</b>	<b>8464</b>	<b>7068</b>	<b>13430</b>
8. Provisions (other than tax) and Contingencies	3258	1946	2629	7345	5820	9721
9. Exceptional items	-	-	-	-	-	-
<b>10. Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9)</b>	<b>2173</b>	<b>1589</b>	<b>203</b>	<b>1119</b>	<b>1248</b>	<b>3709</b>
11. Tax expense	-	-	-	-	-	119
<b>12. Net Profit (+)/Loss (-) from Ordinary Activities after tax (10-11)</b>	<b>2173</b>	<b>1589</b>	<b>203</b>	<b>1119</b>	<b>1248</b>	<b>3590</b>



Particulars	Quarter ended			Nine Months ended		Year ended
	31-Dec-22	30-Sep-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Mar-22
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
13. Extraordinary items (net of tax expense)	-	-	-	-	-	-
<b>14. Net Profit (+)/Loss (-) for the period (12-13)</b>	<b>2173</b>	<b>1589</b>	<b>203</b>	<b>1119</b>	<b>1248</b>	<b>3590</b>
15. Paid-up equity share capital (Face value of Rs.10/ each)	25301	25301	25301	25301	25301	25301
16. Reserves excluding Revaluation Reserves						50892
<b>17. Analytical Ratios and other disclosures</b>						
(i) Percentage of shareholding of Government of India	Nil	Nil	Nil	Nil	Nil	Nil
(ii) Capital Adequacy Ratio as per Basel III	12.52%	12.32%	13.13%	12.52%	13.13%	12.98%
(iii) Earnings Per Share (EPS) in Rupees						
-Basic EPS (Before and after Extra ordinary items)	0.86*	0.63*	0.08*	0.44*	0.49*	1.42
-Diluted EPS (Before and after Extra ordinary items)	0.86*	0.63*	0.08*	0.44*	0.49*	1.42
(iv) NPA Ratios						
(a) Gross NPA	53911	54975	56987	53911	56987	53354
(b) Net NPA	16108	20285	27772	16108	27772	23216
(c) % of Gross NPA	5.83%	6.04%	7.55%	5.83%	7.55%	6.32%
(d) % of Net NPA	1.82%	2.32%	3.83%	1.82%	3.83%	2.85%
(v) Return on Assets (average) – (Annualized)	0.10%	(0.15%)	0.13%	0.10%	0.13%	0.27%
(vi) Net worth	68886	66487	65003	68886	65003	67663
(vii) Debt Equity Ratio (in times) **	0.22	0.23	0.23	0.22	0.23	0.22
(viii) Total Debts to Total Assets***	3.15%	4.00%	1.85%	3.15%	1.85%	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			Nine Months ended		Year ended
	31-Dec-22	30-Sep-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Mar-22
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1. Segment Revenue</b>						
(a) Treasury	6586	5744	7667	13954	23673	33892
(b) Retail Banking	15300	13698	9779	41928	31381	41768
(c) Corporate/ Wholesale Banking	9332	9084	9470	27544	23164	32916
(d) Other Banking Operations	-	-	-	-	-	-
(e) Unallocated	-	-	-	-	-	-
<b>Total Revenue</b>	<b>31218</b>	<b>28526</b>	<b>26916</b>	<b>83426</b>	<b>78218</b>	<b>108576</b>
Less: Inter-Segment Revenue	-	-	-	-	-	-
<b>Income from Operations</b>	<b>31218</b>	<b>28526</b>	<b>26916</b>	<b>83426</b>	<b>78218</b>	<b>108576</b>
<b>2. Segment Results (Net of Provisions)</b>						
(a) Treasury	2086	862	2869	49	8123	16393
(b) Retail Banking	2675	2023	837	6575	945	568
(c) Corporate/ Wholesale Banking	670	650	(874)	1840	(2000)	(3531)
(d) Other Banking Operations	-	-	-	-	-	-
(e) Unallocated	-	-	-	-	-	-
<b>Total</b>	<b>5431</b>	<b>3535</b>	<b>2832</b>	<b>8464</b>	<b>7068</b>	<b>13430</b>
Less : (i) Interest	-	-	-	-	-	-
(ii) Other Un-allocable Expenditure net-off	3258	1946	2629	7345	5820	9721
(iii) Un-allocable income	-	-	-	-	-	-
<b>Profit (+)/Loss (-) before tax</b>	<b>2173</b>	<b>1589</b>	<b>203</b>	<b>1119</b>	<b>1248</b>	<b>3709</b>
<b>3. Segment Assets</b>						
(a) Treasury	437936	436735	497260	437936	497260	429136
(b) Retail Banking	585387	573169	464436	585387	464436	498973
(c) Corporate/ Wholesale Banking	425644	429752	384005	425644	384005	441423
(d) Other Banking Operations	-	-	-	-	-	-
(e) Unallocated	10180	10120	5057	10180	5057	10044
<b>Total</b>	<b>1459147</b>	<b>1449776</b>	<b>1350758</b>	<b>1459147</b>	<b>1350758</b>	<b>1379576</b>



Particulars	Quarter ended			Nine Months ended		Year ended
	31-Dec-22	30-Sep-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Mar-22
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>4. Segment Liabilities</b>						
(a) Treasury	410484	421458	466795	410484	466795	393058
(b) Retail Banking	554418	536850	435896	554418	435896	475691
(c) Corporate/ Wholesale Banking	403126	402521	360408	403126	360408	420826
(d) Other Banking Operations	-	-	-	-	-	-
(e) Unallocated	-	-	-	-	-	-
<b>Total</b>	<b>1368028</b>	<b>1360829</b>	<b>1263099</b>	<b>1368028</b>	<b>1263099</b>	<b>1289575</b>
<b>5. Capital Employed (Segment Assets- Segment Liabilities)</b>						
(a) Treasury	27452	15277	30465	27452	30465	36078
(b) Retail Banking	30969	36319	28540	30969	28540	23282
(c) Corporate/ Wholesale Banking	22518	27231	23597	22518	23597	20597
(d) Other Banking Operations	-	-	-	-	-	-
(e) Unallocated	10180	10120	5057	10180	5057	10044
<b>Total</b>	<b>91119</b>	<b>88947</b>	<b>87659</b>	<b>91119</b>	<b>87659</b>	<b>90001</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.

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 31<sup>st</sup> December 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.

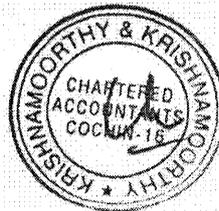
#### Notes

- 1 The above unaudited financial results for the quarter and nine months ended 31<sup>st</sup> December 2022, were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on January 31, 2023. These Results have been subjected to "Limited Review" by the Statutory Central Auditors of the Bank, M/s Krishnamoorthy & Krishnamoorthy, Chartered Accountants and an unqualified review report has been issued by them.
- 2 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.



- 3 The financial results have been arrived at after considering provision for standard assets (including requirements for exposures to entities with unhedged foreign currency exposures), provision for non-performing assets (NPAs), provision for non-performing investments and other usual and necessary provisions.
- 4 As per extant RBI guidelines, banks are required to make Pillar 3 disclosures including leverage ratio, liquidity coverage ratio and Net Stable Funding Ratio (NSFR) under the Basel III framework. Accordingly, such applicable disclosures have been placed on the website of the Bank which can be accessed at the following link: <https://www.dhanbank.com/pillar-iii-disclosure/>. These disclosures have not been subjected to audit or review by the Statutory Central Auditors of the Bank.
- 5 The loans transferred/ acquired during the quarter ended December 31, 2022 as per RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 is Nil.
- 6 Reserve Bank of India vide letter dated October 4, 2021 has permitted all member banks of Indian Banks' Association covered under the 11<sup>th</sup> 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. 72 Lakhs/ Rs. 214 Lakhs has been written off during the quarter/nine months ended December 31, 2022 in respect of the said estimated additional liability and the balance amounting to Rs.929 Lakhs has been carried forward as unamortized expenditure.
- 7 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. Out of this, one account with outstanding principal of Rs.7,297.77 lakh was declared as fraud during Q1 and another account with outstanding principal of Rs.6,312.71 lakh was declared as fraud during Q2 of this financial year. For both the accounts, provision of Rs.7,772.70 lakh was held up to September 30, 2022. During the quarter ended December 31, 2022, Bank provided Rs.2,121.00 lakh being 1/4th of the additional provision required to be made over and above the NPA provisions held. Consequently, if the entire provision as above is made during the current quarter, the Net profit for the quarter/ nine months ended December 31, 2022 would have been lower by a sum of Rs.3, 309.03 lakh. Meanwhile, in one account, Rs.616.76 lakh has been recovered (Rs.407.75 lakh towards principle and Rs.209.01 lakh towards interest suspense) during this financial year after fraud classification.
- 8 The Capital Adequacy Ratio is computed on the basis of RBI guidelines applicable on the relevant reporting dates and the ratio for the corresponding previous period is not adjusted to consider the impact of subsequent changes if any, in the guidelines.
9. 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), profit/loss on revaluation of investments, recoveries from written off accounts etc.
10. Provision coverage ratio (including Technical Write off) as on December 31, 2022 is 86.57%.
11. The figures for the previous period's/year have been re-grouped/re-arranged wherever considered necessary to conform to the current period's classification.

Place: Thrissur  
Date: January 31, 2023



By Order of the Board

(Shivan J K)

Managing Director & CEO  
(DIN-09008166)