

The past is inspiring.  
The future is promising

**ANNUAL  
REPORT  
2022-2023**

Over 545 customer touch points including  
255 branches, 274 ATMs and 16 BCs



#### Branch Presence

Metro Branches - 58

Urban Branches - 66

Semi-Urban Branches - 111

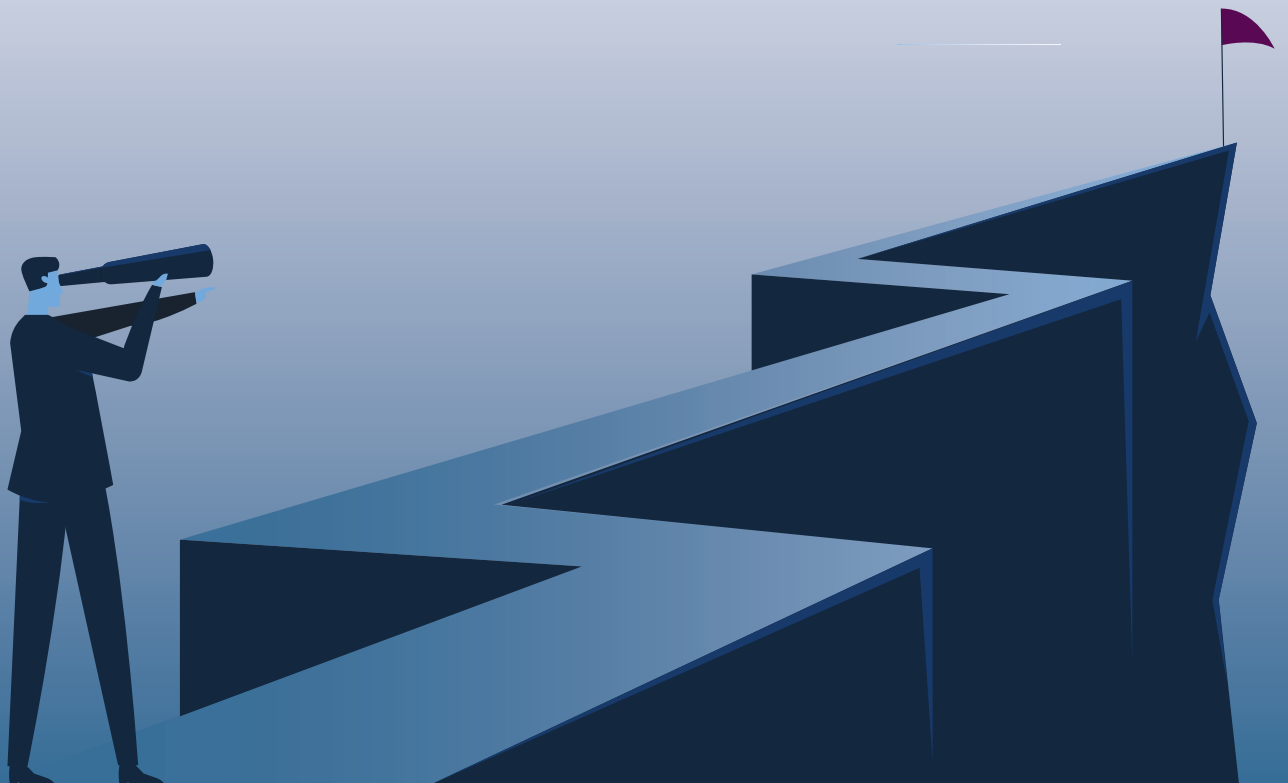
Rural Branches -20

#### ATM/CDM Presence

Onsite - 232 Offsite - 42

**DhanlaxmiBank**   
established 1927

*Banking on Relationships forever*



## **VISION**

Banking on Relationships forever

## **MISSION**

To Become a Strong and Innovative Bank with Integrity and Social Responsibility to Maximise Customer Satisfaction as well as that of the Employees, Shareholders and the Society.

## BOARD OF DIRECTORS



**Shivan J K**  
Managing Director & CEO



**Gopinathan C K**  
Director



**G Rajagopalan Nair**  
Independent Director



**D K Kashyap**  
RBI Additional Director



**Jayakumar Yarasi**  
RBI Additional Director



**Sreesankar Radhakrishnan**  
Independent Director



**K N Madhusoodanan**  
Independent Director



**Dr. Nirmala Padmanabhan**  
Independent Director



**Sridhar Kalyanasundaram**  
Independent Director



**Ms. Vardhini Kalyanaraman**  
Independent Director

## C O R P O R A T E I N F O R M A T I O N

### Registered Office

Dhanlaxmi Bank Limited, P.B. No.9,  
Dhanalakshmi Buildings,  
Naickanal, Thrissur-680001

### Corporate Office

Dhanlaxmi Bank Limited,  
Punkunnam, Thrissur-680002

Kindly refer the website for other offices

### Chief Financial Officer

**Kavitha T A**

### Company Secretary & Secretary to the Board

**Venkatesh H**

### Secretarial Auditors

**M/s. V Suresh Associates,**  
Practising Company Secretaries, First Floor,  
No.28, Ganapathy Colony  
Illrd Street, Teynampet, Chennai-600018

### Statutory Auditors

**Krishnamoorthy & Krishnamoorthy,**  
Chartered Accountants,  
Palam Road, Cochin.

### Legal Advisors

**M/s. Menon & Pai,** Ernakulam  
**M/s. B S Krishnan Associates,** Ernakulam,  
**M/s. C K Karunakaran & Associates,** Ernakulam

### Stock Exchanges

**National Stock Exchange of India Limited (NSE)**  
**BSE Limited** (Formerly known as  
Bombay Stock Exchange Limited)

### Registrar & Transfer Agents

M/s. Kfin technologies limited  
(Previously known as M/s. Kavya Fintech Private Limited)  
"Selenium Tower B", Plot No.31 & 32, Financial District  
Nanakramguda, Serilingampally,  
Hyderabad - 500 032

## SENIOR MANAGEMENT

### GENERAL MANAGER

Chandran L

### DEPUTY GENERAL MANAGERS

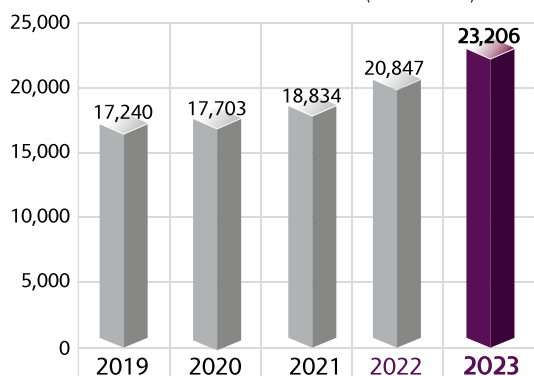
|                |                     |
|----------------|---------------------|
| John Varughese | Surendran A V       |
| Santoy John    | Binoy B S           |
| Satheesan V    | Suresh M Nair       |
| Sreekumar M P  | Balasubramanian A D |
| Sunny George   | Arvind Kanagasabai  |
| Rajan Sreeba   |                     |

### ASSISTANT GENERAL MANAGERS

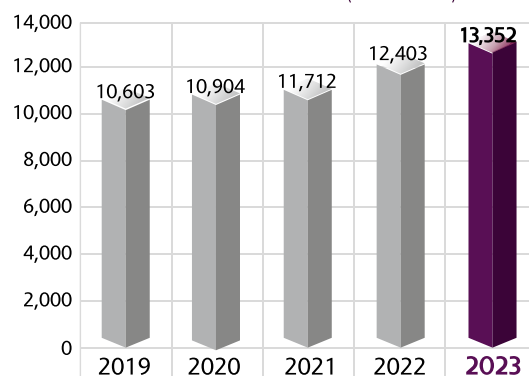
|                      |                 |
|----------------------|-----------------|
| Rajesh P             | Sunil Kumar A   |
| Ramakrishnan S       | Satyanarayana K |
| Kavitha T A          | Abhilash R      |
| Bijukumar P H        | Sijo Joseph     |
| Anup Nair            | Abhiram Unni M  |
| Arun Somanathan Nair | Raghunath R     |
| Ranjith P            |                 |

# PERFORMANCE DASHBOARD

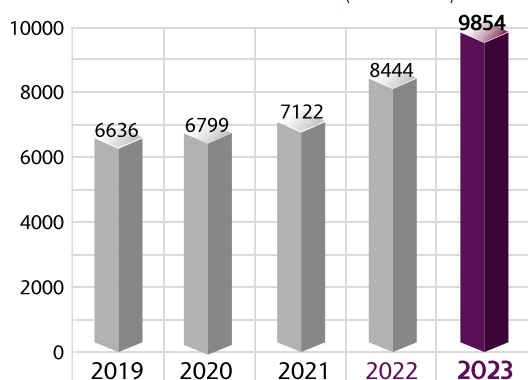
**TOTAL BUSINESS** (Value in Cr.)



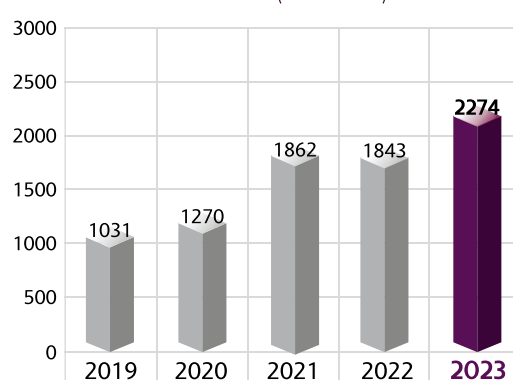
**TOTAL DEPOSIT** (Value in Cr.)



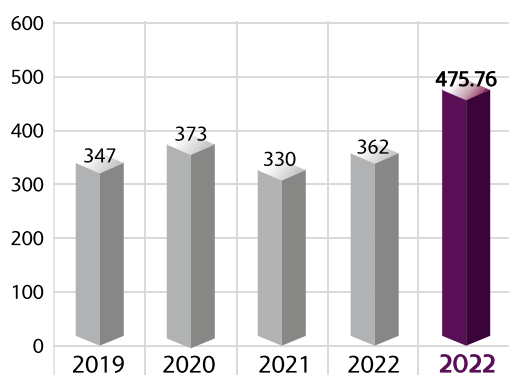
**GROSS ADVANCE** (Value in Cr.)



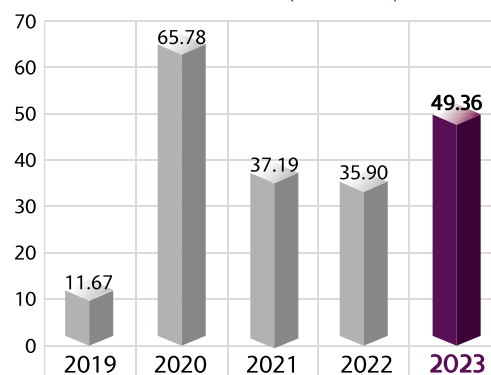
**GOLD** (Value in Cr.)



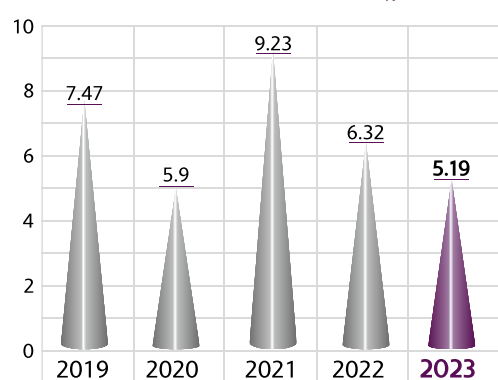
**NET INTEREST INCOME** (Value in Cr.)



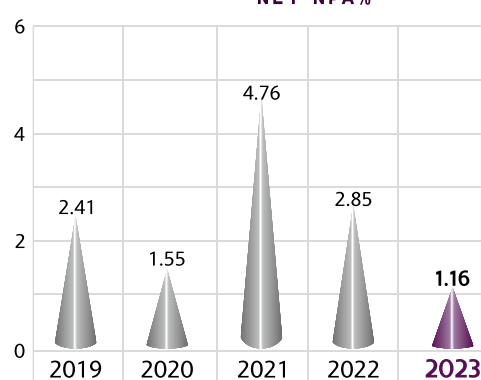
**NET PROFIT** (Value in Cr.)



**GROSS NPA%**



**NET NPA%**





## MD & CEO'S MESSAGE

Dear Shareholders,

The previous fiscal year was a year of optimism and a period when the resilience of our country's economy was tested. The Indian economy has exhibited positive indicators, with the International Monetary Fund (IMF) predicting a growth rate of 6% for the current fiscal year 2023-2024. The banking sector also experienced robust growth, thanks to the prudent credit policies of the Reserve Bank of India, improved net interest income, an overall decline in NPA accretion and moderate credit costs.

Dhanlaxmi Bank has consistently delivered strong performance and the previous fiscal year was no exception. We have a long history of establishing strong relationships with our customers and this, along with the dedicated and wholehearted involvement of our employees, has resulted in this robust growth.

We have also continued to invest in technology which has helped us improve our operational efficiency and security, ensuring a better banking experience for our customers.

In a bid to augment our footprint across India, we have started opening new branches after a gap of over a decade. The new branches will enable us to tap the increasing demand in the semi-urban and rural hinterlands, in sync with the government's clarion call for financial inclusion. We are also gearing up to bolster our digital banking offerings by launching cutting-edge products.

In the previous fiscal year we recorded an annual operating profit of Rs.123.20 crore and a net profit of Rs. 49.36 crore. We also saw strong growth in deposits and advances, with our total business increasing from Rs. 20,846 crore to Rs.23,205 crore. Gross advances reached Rs. 9,854 crore and Net Interest Income increased to Rs. 475.76 crore and the credit deposit ratio considerably improved. The resultant increase in Net Interest Income has helped the Bank in tiding over the reverses due to 'Mark-to-Market' loss on the investment portfolio.

Our revised strategy has helped us accelerate growth across all business verticals. We will continue to focus on our retail loan book in the upcoming fiscal year and non-performing asset (NPA) recovery will also remain a key focus area. As always, we will continue to build and nurture strong relationships with our customers.

I would like to express my gratitude to the regulatory authorities and agencies for their support and to our external stakeholders for their trust reposed in the management team. I am also grateful to the Board of Directors for their continued guidance.

We will strive to improve our performance quarter over quarter.

Yours Sincerely

**Shivan J K**



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# Directors' Report

## Dear Shareholders,

It gives the Board pleasure to place before you the highlights of your Bank's performance during the financial year 2022-23. Details of the achievements and initiatives taken by the Bank are provided in the 96<sup>th</sup> Annual Report of the Bank along with the Audited Balance Sheet as at March 31, 2023 and the Profit and Loss Account for the year ended on that date.

## Performance Highlights

Bank's performance Highlights for the financial year ended March 31, 2023 are as follows:

₹ in Crore

|                             | March 31, 2023   | March 31, 2022 |
|-----------------------------|------------------|----------------|
| Total Business              | <b>23,205.38</b> | 20,846.47      |
| Deposits                    | <b>13,351.65</b> | 12,402.89      |
| Advance (Gross)             | <b>9,853.73</b>  | 8,443.58       |
| Total Income                | <b>1145.75</b>   | 1,085.76       |
| Total Expenditure           | <b>1,022.55</b>  | 951.46         |
| Net Interest Income         | <b>475.76</b>    | 362.31         |
| Operating Profit            | <b>123.20</b>    | 134.30         |
| Net Profit                  | <b>49.36</b>     | 35.90          |
| Gross NPA %                 | <b>5.19</b>      | 6.32           |
| Net NPA %                   | <b>1.16</b>      | 2.85           |
| Provision Coverage Ratio %  | <b>90.61</b>     | 80.64          |
| CRAR %                      | <b>12.32</b>     | 12.98          |
| Return on Assets %          | <b>0.34</b>      | 0.27           |
| Return on Equity %          | <b>5.14</b>      | 3.99           |
| Earnings Per Share (in ₹)   | <b>1.95</b>      | 1.42           |
| Book Value Per Share (in ₹) | <b>37.99</b>     | 35.57          |

## Bank's Geographical Spread & Expansion Programme

- Bank has 253 branches as on 31st March, 2023 spread across 14 States and 1 Union Territory (Chandigarh).
- Out of 253 branches, 19 branches are in rural category, 110 in Semi Urban, 66 in Urban and 58 in Metropolitan Category.
- Bank had 270 ATMs and 17 Business Correspondents as on March 31, 2023.
- Bank opened 8 new branches during the financial year – Manathavady, Cherpulassery, Koyilandy and Mattannur in Kerala State, Thanjavur and Tirunelveli in Tamil Nadu State, Karimnagar in Telangana State and Kurnool in Andhra Pradesh State.
- Bank has obtained in-principle approval from Reserve Bank of India for opening of 12 more branches.

## Total Business

Total business of the Bank improved by 11.32% to reach ₹23,205.38 Crore as on 31.03.2023, from ₹20,846.47 Crore as on 31.03.2022.

## Deposits

Deposits recorded a growth of 7.65 % to reach ₹13,351.65 Crore as on 31<sup>st</sup> March 2023 against ₹12,402.89 Crore as on 31<sup>st</sup> March 2022. CASA to Total deposits as on 31<sup>st</sup> March 2023 was 31.90%.

## Gross Advances

Bank's Gross advance stood at ₹9853.73 Crore as on 31.3.2023 against ₹8443.58 Crore as on 31.03.2022, registering a growth of 16.70%. CD Ratio improved from 68.08% to 73.80% on Y-o-Y basis.

## Profitability

Annual Net Interest Income increased from ₹362.31 Crore as on 31<sup>st</sup> March 2022 to ₹475.76 Crore, as on 31<sup>st</sup> March 2023 registering a growth of 31.31%. Non-Interest income as on 31<sup>st</sup> March 2023 was at ₹74.51 Crore against ₹169.12 Crore as on 31<sup>st</sup> March 2022. The reduction was due to Mark to Market (MTM) depreciation on revaluation of investments of ₹40.08 crore as on March 31, 2023 against write back of MTM of ₹67.35 crore as on March 31, 2022. NIM improved from 3.00% to 3.60% on Y-o-Y basis. Total Income (Interest Income + Other Income) increased by ₹59.99 Crore with growth of 5.53% on Y-o-Y basis. Cost to Income Ratio as on March 31, 2023 was 77.61% against 74.73% as on March 31, 2022.

Operating profit during the year was ₹123.20 Crore as against ₹134.30 Crore during the previous year. The Bank declared a net Profit of ₹49.36 Crore during the year under report and for the previous year, the Bank had declared a net profit of ₹35.90 Crore.

## Capital and Reserves

Bank's Paid-up capital and reserves was ₹961.15 Crore as on 31.03.2023. The capital adequacy ratio as per Basel III was 12.32% with Core CRAR of 10.55%.

## Dividend

The Board had not recommended any dividend for the financial year 2022 - 2023.

## Non-Performing Assets

Gross NPA and Net NPA percentage stood at 5.19% and 1.16% respectively as on 31.03.2023 against 6.32% and 2.85% as on 31.03.2022.

The provision coverage ratio (PCR) as on 31.03.2023 was 90.61% which was 80.64% in the previous year.

## **Vision & Mission**

**Our Vision:** "Banking on Relationships forever".

**Our Mission:** To Become a Strong and Innovative Bank with Integrity and Social Responsibility to Maximize Customer Satisfaction as well as that of the Employees, Shareholders and the Society.

## **Customer Service**

The Bank accords high importance to the quality of customer service rendered across its branches/offices. The Bank initiated a series of measures during the year through deployment of technology and significantly enhancing service quality. A well-defined and full-fledged Customer Grievance Redressal Mechanism has been put in place in the Bank.

The Customer Service Committees comprising of Bank personnel as well as our constituents monitor the implementation of customer service measures periodically. Customer Service Committee of the Board has been formed at the apex level and committees at branches for monitoring service quality and bringing about improvements in this area on an ongoing basis. The Bank has a 24 x 7 Phone Banking Call Centre at Chennai to cater to customer needs across the country.

During the financial year 2022-23, the Bank received 6,101 complaints as against a total of 14,005 complaints received in the previous financial year.

## **The following important products and services/initiatives were introduced during the year for the benefit of the customers:**

- Bank entered into Fintech based business for micro lending, under priority sector lending.
- Revamped internet banking platform 'Dhan Delight' and mobile banking platform 'Dhan Smart' launched with enhanced security via multi-factor authentication, biometric login and Self-registration functionalities.
- In-app authentication (Smart ID) mechanism to authenticate transactions without relying on SMS based OTP for digital transactions.
- E-Mandate using AADHAAR authentication of recurring payment mandates to customers.
- Public Funds Management System and Wage Protection System platform integrated with new application for Realtime processing of govt. and wage protection system transactions.
- Launched new Education Loan Scheme "Dhanam Vidya Kiran".
- Bank introduced RuPay Classic EMV Chip Debit Cards to customers which provides exclusive benefits and convenience to the Debit Card users.

- Bank integrated with ICEGATE portal for customs duty payments through retail internet banking platform.
- Signed MOU with Ministry of Agriculture & Farmers Welfare (MoA & FW), Delhi for lending under Agriculture Infrastructure Development Scheme.
- Bank has installed E-Kanika/E-Hundi at selected temples for hassle free offerings for devotees.

## **Investor Education and Protection Fund**

The Bank transferred the entire pending unclaimed dividend amount to the Investor Education and Protection Fund (IEPF) during the financial year 2018-19. There was no amount of dividend pending to be transferred to the fund in the financial year 2022-23.

In terms of Section 124 (6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, it may be noted that if the dividends have been unpaid or unclaimed for seven consecutive years or more the underlying shares shall be transferred to the IEPF Demat Account maintained with depositories. Upon transfer of such shares to IEPF account, all benefits (eg. bonus, split, etc.), if any, accruing on such shares shall also be credited to the IEPF Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. The members/claimants whose shares, unclaimed dividend etc., have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority as per the procedure prescribed in the IEPF Rule.

## **Listing on Stock Exchanges**

The Equity shares of the Bank are listed on BSE Ltd., and National Stock Exchange of India Ltd. The Bank confirms that it has paid the listing fees to all the Stock Exchanges for the financial year 2023-24.

## **Number of cases filed, if any, and their disposal under Section 22 of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Bank has zero tolerance approach towards any action on the part of any executive/employee which may fall under the ambit of "Sexual Harassment" at work place, and is fully committed to uphold and maintain the dignity of woman staff working in the Bank. The policy provides for protection against sexual harassment of women at work place, prevention and redressal of such complaints. All the employees (permanent, contractual, temporary, trainees) are covered under this policy.

Number of complaints pending at the beginning of the financial year - Nil

Number of complaints filed during the financial year - Nil

Number of complaints pending at the end of the financial year - Nil