

Ref. No.: ISC/271/2024-25

Date: 04.11.2024

The Vice President National Stock Exchange of India Ltd. Exchange Plaza, Bandra- Kurla Complex Bandra East, Mumbai-400 051 <b>NSE Symbol: INDIANB</b>	The Vice President BSE Ltd. 25, P. J. Towers Dalal Street, Mumbai-400001 <b>BSE Scrip Code- 532814</b>
---	--

Dear Sir/ Madam,

**Subject: Transcript of Post Earnings Concall / Meet**

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in continuation of our Letter No. ISC/245/2024-25 dated 23.10.2024 and Letter No. ISC/255/2024-25 dated 28.10.2024 regarding Analysts / Investors Concall / Meet, we are enclosing a copy of Transcript of said post Earnings Concall/ Meet held by the Bank on 28.10.2024 on the Financial Results of the Bank for the Second Quarter and Half Year of FY 2024-25 ended on 30<sup>th</sup> September 2024.

The Concall Transcript has also been uploaded on Bank's website and the same can be accessed through below link:

<https://www.indianbank.in/departments/concall-transcripts/>

This is for your information, record and dissemination please.

Yours faithfully,

For Indian Bank

AGM & Company Secretary

**Encl:** A/a



# Indian Bank Q2 FY'25 Results Post Earnings Conference Call / Meet Held on 28.10.2024

## Transcript

**Management:**

**Shri S L Jain**  
**MD & CEO**

**Shri Mahesh Kumar Bajaj**  
**Executive Director**

**Shri Ashutosh Choudhury**  
**Executive Director**

**Shri Shiv Bajrang Singh**  
**Executive Director**

**Shri Brajesh Kumar Singh**  
**Executive Director**

**Moderator:**

**Shri Anand Dama**  
**Analyst, Emkay Global Financial Services Ltd.**

**Disclaimer :**

This is a transcript and may contain transcription errors. The Bank or the sender takes no responsibility for such errors, although an effort has been made to ensure high level of accuracy.

## **Anand Dama (Host – Emkay Global)**

Good evening everyone. We welcome you all to Indian Bank's post-results Conference Call for the Second Quarter of FY25 hosted by Emkay Global. From the top management, we have with us today Shri Shanti Lal Jain, MD & CEO Shri Mahesh Kumar Bajaj, Executive Director, Shri Ashutosh Choudhury, Executive Director, Shri Shiv Bajrang Singh, Executive Director and Sri Brajesh Kumar Singh, Executive Director. I request the MD Sir to first briefly summarize the key highlights from the second quarter results and also provide future direction on growth, margins, and asset quality. Post which we will have the Q&A session over to you MD Sir.

## **Shri S. L. Jain, MD & CEO**

Yeah Good evening. Welcome to all analysts and investors in the post Result Con Call. We have declared our result today and you might be having the investor presentations. For immediate understanding, I will talk few highlights. Our business has grown by 10% and deposit has grown by 8% and the credit has grown by 12%. Under the credit, the retail credit has grown by 15%, agriculture by 16%, MSME by 8% but the standard MSME has grown by 12% and the corporate 9% and the standard corporate 10%. So all are basically double digit.

All are in double digit and we could maintain our CASA more than 40%. So we are at 40.47% is again 40.56 of the last. In the beginning we said given that our deposit will grow between 8% to 10%, we have grown by around 8% and we raised Infra Bond of Rs.10,000 crore which works out to 1.5%. So, 8% and 1.5%, we are at 9.5% totally. In the credit side we said 11% to 13% and we have grown by 12%. This is the business side and the profitability of course operating profit has grown by 10%. The net profit has grown by 36%.

The profitability has grown on the back of NII growth of 8%, bad debt recovery of 44%, fee-based income of 11% and the cross sale income 5% and the PSLC income more than 8%. So, as far as your question on the margin side also, our margin was 3.39% global and 3.49% domestic as against 3.44% of the last quarter. So, reduction of a 5 basis points if you adjust the penal charges the impact is 6 basis points earlier it was 2 basis points, now it is 8 basis points. So incremental is 6 basis points. If you add 6 basis points of 3.39% it is 3.45% which is more than the last quarter margin.

Now come to the domestic, same stories of domestic side. Now our ROA has improved from 1.06% to 1.33% or 1.20% of the last quarter. ROE also is 21%. Cost-income ratio 44% - 45%. We had made a additional provision close to Rs.150 crore because of the FIMMDA rate has come down to 6.94% and we decided that let us make higher provisions and act based on the actual as well yield on that in the quarter the cost of deposit has grown by 8 bps. Yield on advance is also grown by the 8 bps both side 8 bps and you know in the investment side, because the investment yield itself is coming down so whatever incremental investment you make it cannot be 7.15% and the rate itself is a 6.86% and so there will be an impact of that also the as far as asset quality is concerned it has come down from 3.77% to 3.48%. The net NPA has come down 0.39% to 0.27% and the provision coverage ratio increased from 96.6% to 97.7%. Our story for recovery more than slippages is continuing. Last time Rs.2000 odd crore we have recovered and the slippage was Rs.1357 crore and you see last quarter also last year also prior to that also our recovery was more than our slippage. As a result of our gross and net NPA is coming down and our collection efficiency is 95%.

We are maintaining that collection efficiency. So point is that whatever is due some overdue is there. We are recovering that overdue also and maintaining this capital adequacy ratio is 16.55% and if we add up half yearly profit of Rs.5110 crore it is 17.84%. 17.84% is against 16.55% virtually as against 11.50% of regulatory, right, now this SMA book has slightly increased from by Rs.2300 crore and which is because of the one account of Rs.2200 crore which was appearing in SMA 2 as on 30th September has now come down to SMA 1. But part of the irregularity has been paid by the customer. It is a government guaranteed account. As far as digitization is concerned our today 91%-92% of the transactions are happening on a digital basis. So regarding all or other we have given guidance of recovery of Rs.7000 crore. We are Rs.3958 crores.

We have set the AUC recovery to Rs.2000 crore for a full year. We are at Rs.1200 crore NIM we are given 3.40% we are at 3.39% domestic rather 3.40% we are at 3.49% ROA we said that around 1.20%. Now we are at 1.33% ROE we said 19-20% we are at 21%. So credit cost has also come down at 0.65%, slippage ratio also has come down to 1.06%. Lot of things we are doing for digitization. Lot of things we are doing for HR side.

So I request my colleague Bajaj ji to tell about the digitization what we are doing and then we are open to question and you raise about 2,3 point. Let me reply this also. Growth we will continue to have our same the guidance which we have given margin side also our endeavor to stick to our guidance and rather give better than the guidance of 3.40% which we said will continue that also and asset quality of course the Collection efficiency is 95% and the SMA 2 number barring this one account is same and so, Rs.1020 crore here and there not much. So asset quality also will be going probably better. Now Bajaj ji, please.

**Shri Mahesh Kumar Bajaj, Executive Director**

Thank you Sir. Good evening friends from the analysts and the investors. We already placed this presentation on digital transformation Digital migration. I'll just touch couple of points then we'll take questions. Our the migration from branch channel to digital channel have gone up from 89% to 92% Y-o-Y. Apart from that we have come up with the new Omnichannel app. Here the mobile banking users have gone up by 20% which is Rs.1.51 crore to Rs.1.81 crore. Same way transactions also gone up by 10%. UPI users have gone up from Rs.1.5 crore to Rs.1.95 crore which is Y-O-Y 27% plus and remitted transaction also 62% Y-o-Y even if we talk about the daily UPI transaction now the daily UPI transactions are Rs.2.28 crore which is remitter Rs.1.5 crore and beneficiary Rs.0.73 crore.

Apart from that the net banking user also have gone up from Rs.98 lakh to Rs.1.11 crore and the credit card user also gone up by 50% from Rs.1.77 lakh to Rs.2.65 lakhs. Same way. The FASTag user also have gone up by 37% and POS also have gone up by 56%. We are continuing our digital initiatives. The journeys which we started in the June 22 this half year we have completed 24 journeys and we are prioritized 56 journeys Q1 6, Q2 18, Q3 13 and Q4 19 journeys we have planned.

Last year we did digital business Rs.81250 crore and last half year it was Rs.29,116 crore. This half year it is Rs.79,059 which is 172% Y-o-Y plus. Same way in RAM Rs.24,000 to Rs.63,000 which is 162% growth and e-deposit on the liability side Also it was Rs.4,911 crore. Now it is Rs.15,000 crore which is 206%. Apart from this assets and liability we have taken certain other initiatives which is like e-BG, e-OTS, death claim. So there also there is an improvement from Rs.0.32 crore to Rs.537 crore and even adoption also has gone up MSME to 77% retail 73% and

agree 91% and the even the last time also the question was asked how much we are spending on the IT. So, it remains almost same the of the OPEX it is 10% and NINS if you say it is 27%. Apart from this we have the already on the capital expenditure Rs.135 crore. For this half year we have done and we are committed to almost Rs.400 crore to Rs.450 crore Rs.500 crore rupees of capital expenditure. Apart from this revenue, these revenue expenses. So we'll take question at the end during the call. So these were the few initiatives we have taken by us.

**Shri S. L. Jain, MD & CEO**

Now we are open for question answer.

**Questions and Answers**

**Anand Dama (Host – Emkay Global)**

Yeah. Thank you Sir. We will now open up the floor for Q&A session. Anybody wishes to ask question please raise your hand. The first question will take up from Ashok ajmera. Please unmute yourself.

**Ashok Ajmera, Analyst**

Hello. Good evening Sir.

**Shri S. L. Jain, MD & CEO**

Good evening.

**Ashok Ajmera, Analyst**

Before my time gets over, Sir, let me first of all wish you a very very happy Diwali to everyone. To you and all the people there. The analyst fraternity as well as the people in the Indian Bank and Sir, compliments to you Sir for good set of numbers. Especially on the profitability front. A good profitability and all the most of the parameters of the profit, the expenses, the asset quality. The gross NPA has also come down substantially.

The net NPA is now 0.27%. But having said that Sir, I just. If I look at the business growth, both the deposit and the credit. Sir though the on an annualized basis if the tracking 4 quarter if you are taking then it's okay 10% 12% 11%. But if you look at the current FY25 is half year our business growth is hardly 1.79%, our deposit growth is only 0.75%, and our credit growth is only 3.16%. So having said that, if we look at the entire FY25, even based on your Target also Sir, you need to raise the deposit of almost about Rs.70,000 crore. In the remaining 5-6 months. You need to disperse the credit of almost Rs.52,000 crore. So for that Sir, what is the road map ahead? I mean what are the plans? What are the sanctioned pipeline and the proposal which are already in a sanctioning stage or disbursement stage and how do we basically plan to meet this kind of targets for the whole of FY25? This is my first question.

**Shri S. L. Jain, MD & CEO**

Ajmera Ji, we told that we will grow in credit 11% to 13%. We are growing 12%. It means we are as per the trend. You rightly said that the growth in the first half, Vis-a-Vis, the gap which we have to fill in the next half is a issue which you are raising. But you see the last year number. Last year number is the same. When you are growing as per trend, what will happen? Last year also we

grown Rs.40000 crore in the second half. This year also the gap is Rs.40000 crore in the second half the same number we are continuing. This is how the business is happening in the country.

So, we are actually exactly on the track. Now your question was how much was the sanctions? How much was in the pipeline? I'm telling you we this year we have sanctioned 20% more than the last year. Last year in the first half we sanctioned Rs.27000 crore. This time we have Rs.32000 crore. So it means we have more pipeline. Right? So this the pipeline. I'm telling you that the 3, 4 part of this pipeline undisbursed term loan is around close to Rs.7,000 crore sanctions which we already this sanctions Rs.7,200 crore and Rs.7,000 crore where the partial disbursement has happened and partial disbursement based on the growth or based on the completion of the project will give around Rs.16,000 - Rs.17,000 crore of proposal in pipeline undisbursed working capital limits are close to Rs.28,000 crores. So considering this repayment and all the sanctions which we are having, we are confident of achieving this. Of course, the number slightly came down because two reasons. One is whatever the in a corporate lending if the margins are not there then we allowed let it go. Rather you know we continuously, we are on the profitable growth path.

We are on a growth path because you see our margins and everything. So we are confident that the way we are doing every time this time also because when your Bank is 11% to 13%, you are growing 12% you are on the track. You are on the track as per the last. Likewise, in the deposit also, we said 8% to 10%. We are at a 8%. So my point is that the growth in credit and the growth of Deposit you see both we match. Even if you say September 2023 to September 2024. Growth in deposit and growth in credit. You see the gap of around Rs.6,000 crore or Rs.7,000 crore. We have raised the infra bond of Rs.10,000 crore. We rather we have a profitability more than Rs.5,000 crore this and last time Rs.4,000 crore Rs.9,000 crore. So the liquidity point of view also we are comfortable. From the growth point of also we are comfortable.

All other engines for the Retail, Agri and MSME we are growing 14% which is more than the guidance we have given.

### **Ashok Ajmera, Analyst**

Thanks for this reassurance Sir. Because like some of the Banks they were done recently. I just concluded one of the other big Banks analysts meet and there in the first half itself they grew about 6%/6.5%/ 7%. So that is why the question came to my mind that. But anyway if you are. As long as you are meeting the targets of the whole of the FY25 I mean there is no issue and that reassurance is goes very well. Having said that Sir, you had covered this SMA 2. I couldn't hear it properly that time.

So, you said that one one account out of this Rs.3,301 crore you know which has come in SMA 2 above Rs.5 crore is around Rs.2000 crore something and it is a government account. So can you just repeat it Sir or explain it little more clearly Sir?

### **Shri S. L. Jain, MD & CEO**

Okay, so actually what we said that the SMA 2 number. Right. So just SMA 2 number was SMA 1 plus 2, just a minute.

### **Ashok Ajmera, Analyst**

No 2 was Rs.3301 crore as compared to Rs.1075 crore in the last quarter.

**Shri S. L. Jain, MD & CEO**

Yeah okay. I'm just telling you just a minute. SMA 1 and 2 was Rs.2450 crore in June which has increased to Rs.4762 crore. Slide number 32. So incremental is Rs.2300 crore.

**Ashok Ajmera, Analyst**

Yes Sir.

**Shri S. L. Jain, MD & CEO**

Out of Rs.2300 crore. Rs.2200 crore is one account. First point. First point is one account in the corporate and that is why you are seeing corporate it was Rs.365 crore become Rs.2500 crore. So Rs.2200 crore and this is a government account guaranteed by a government and they have paid this irregularity which was SMA 2 in September has now become SMA 1. So the part of the irregularity they have cleared.

**Ashok Ajmera, Analyst**

Yes Sir. Yes Sir. Yes this is. Yes because the figure just shot up this thing and Sir, this our on the recovery Front again you are within the target. I mean there's a good recovery. So can you give some color on the present recoveries? and going forward with the NARCL and NCLT are the things are speeding up. Are we going to have a better recovery than even our targeted one? Because we have also got good pool of even return of accounts also and a lot of cases are at a positive stage?

**Shri S. L. Jain, MD & CEO**

Yeah. So last time we have recovered Rs.8,600 crore, right?. At this time we say we'll be having a less recovery because Rs.7,000 to Rs.8,000 crore more or less. So virtually internally we decided close to Rs.2000 crore of a recovery we'll do. In the last two quarter we recovered close to Rs.4000 crore. This is one point. Now the going forward the recovery. This is the second question. So, two things is there, that we are having Rs.41,000 crore of a PWO book and Rs.19,000 crore of a so around close to Rs.60,000 crore of a book. Right?

We are having close to Rs.22,000 crore of a NCLT book. Now this going forward the recovery which we are expecting from the NCLT, SARFAESI, OTS and ARC because we have a NCLT and I told you we have a huge pool, SARFAESI also last time, we recovered around Rs.860 crore. In the last half we recovered Rs.400 crore. So same same number we are trying to achieve in the this year also half year. Rs.400 crore next up here Rs.400 crore like likewise in an in the OTS last time we recovered Rs.1500 crore.

This half year we recovered Rs.755 crore. So we are going totally on those lines ARC of course last time we have recovered Rs.465 crore. In this year we have recovered Rs.97 crore. So but you see one presentation NARCL where 7 account of Rs.700 crore where bids have been received. So we'll go for the Swiss challenge and this amount when we'll transfer to NARCL naturally this ARC recovery will happen. So, we are on the track that Rs.2000 crore around Rs.2000 crore of a quarterly recovery.

Of course, our guidance will continue to be around the Rs.7,000 crore to Rs.7,500 crore recovery. So we are moving on that direction.

**Ashok Ajmera, Analyst**

Sir point well taken. Last question in this round on Treasury. Sir, our performance of treasury is reasonable in this quarter also. I mean we have made some good decent profit also trading profit also as well as the also the valuation profit and gains also. So going forward Sir what is your take on when we. I think we expect some rate cut also in December we'll be having the better profitability on the overall treasury operations, including the equity debt trading also, as well as on the because of the rate cut on the valuation front also. So overall in the next six months, will be better than the current six months on the treasury?

**Shri S. L. Jain, MD & CEO**

Okay. Two things. Two, three things. I'll complete the entire investment book. First of all we have added the investment by Rs.5,000 crore in June to September. Right?. Because we are having a liquidity and first point and we have Rs.3,000 we have added in SLR and Rs.2,000 non SLR. Right. Now second point is that the yield on investment which is very, very important.

Our yield on investment in June was 7.15. In September it is 7.17. So our yield on investment is 7.17 and the 10 year G-sec is 6.86-6.87. So we are much above the 10 year G-sec second point. Now as per the guidelines the unrealized profit on AFS will go to the reserve. AFS reserve and FVTPL comes in the P&L account. 700 odd crores which is unrealized profit because of this is moved to the AFS reserve. We could have even Rs.700 crore more. We could have done but we thought that let us have a good margin continue. We have a good margin and continuously profitability. So this is. This is our treasury. Otherwise the profit would have been 200 plus 700.

**Ashok Ajmera, Analyst**

Yes, yes.

**Shri S. L. Jain, MD & CEO**

It would have come down in the. In the time to come. Right. This is the second point. So third point is that what we are doing is Treasury. We know that interest rate had come down. That is why we have built the book at 7.17. Today also when the yield is between around 6.9 we are buying. If it is going below 6.8, we are selling this how we are moving. So we think that it should be around 6.75 to 6.85 or this should be the trend. But we are sitting in a very comfortable position.

**Ashok Ajmera, Analyst**

Thank you, Sir.

**Anand Dama (Host – Emkay Global)**

Thank you. The next question from Mona. Mona, please unmute yourself.

**Mona, Analyst**

Yeah. Hi, Sir. Good evening. Congratulations on a good set of numbers. Just two questions. Yeah. So firstly, in your notes to accounts you've mentioned that about 300 crores of provisions were made outside of the minimum regulatory requirements. So this is part of PCR itself. Right? Or it's outside of PCR.



**Shri S. L. Jain, MD & CEO**

No. Whatever provision we make, if it is a standard asset provision it cannot be a part of the PCR Because NPA provision only comes in.

**Mona, Analyst**

Okay. So this is standard provision.

**Shri S. L. Jain, MD & CEO**

This is standard.

**Mona, Analyst**

Okay. Got it and secondly, so if I have to look at the balance sheet level what sort of outstanding standard provisions we have on the books.

**Shri S. L. Jain, MD & CEO**

In entire book we are having standard asset provision close to Rs.8,500 crore.

**Mona, Analyst**

And how much of this is towards restructured book?

**Shri S. L. Jain, MD & CEO**

Generally we are having restructured book close to around 28% is against the regulatory requirement of 10%. We are having 28%.

**Mona, Analyst**

Got it. That's all from my side. Thank you.

**Anand Dama (Host – Emkay Global)**

Yeah, thank you Mona. Next question will take from Dixit. Dixit Please unmute yourself.

**Dixit, Analyst**

Yeah, one question. Firstly one clarification. You mentioned that this one corporate government corporate account which is in SMA 2. So we have received some amount after the September you are saying and therefore it has moved to SMA 1, now?

**Shri S. L. Jain, MD & CEO**

Part of the irregularity. Suppose the irregular amount say Rs.100 crore and we recovered Rs.50 crore So the irregularity which was 60 days has become less than 60 days, 30 days.

**Dixit, Analyst**

Okay and are we holding any provision against this account?

**Shri S. L. Jain, MD & CEO**

We are having provision based on the portfolios and also.

**Dixit, Analyst**

Okay and my last question is in the non interest income under the miscellaneous income has gone up to Rs.228 crore from Rs.99 crore here on year or Rs.135 crore QoQ. So was there anyone of in this Rs.228 crore. Any significant one?

**Shri S. L. Jain, MD & CEO**

Basically this is the penal interest Major part of it is penal charges.

**Dixit, Analyst**

Okay. Therefore It has gone up substantially Y-o-Y.

**Shri S. L. Jain, MD & CEO**

That is why the NII growth is looking less.

**Dixit, Analyst**

Okay. Okay, understood. Thank you. That's it from my side. Thanks.

**Anand Dama (Host – Emkay Global)**

Yeah, thank you Dixit. So before that there is one, this one other question which is there in the chat box. What is the LCR for the second quarter and any impact that you saw primarily because of the RBI supervision which asks you of the Banks basically to rework their LCR.

**Shri S. L. Jain, MD & CEO**

What is the question?.

**Anand Dama (Host – Emkay Global)**

What is the LCR for second quarter?

**Shri S. L. Jain, MD & CEO**

LCR is close to around 120% plus. We have last quarter we were having LCR of 114%. June, now around 120% plus. 120%/ 121%/ 122%. This is the range we are in.

**Anand Dama (Host – Emkay Global)**

There were these Banks basically who had said that there was this RBI supervision and because of there was some impact on the LCR. So how come basically our LCR has actually gone up? Is it that we have raised some funds recently?

**Shri S. L. Jain, MD & CEO**

No. What happens, the RBI is based on the guidelines. We also fine tune our guidelines. So after considering everything it is 122%.

**Anand Dama (Host – Emkay Global)**

Okay. Sure Sir. Sir and secondly was this. There was this Telangana farm loan waiver. Any impact of that basically has reflected into our numbers. Similarly if you look at a lot of Banks have reported

higher NPS in the retail segment. Obviously, we do not have as much of exposure to unsecured loans?

**Shri S. L. Jain, MD & CEO**

Now we are having even the less than Rs.200 crore. We are not having much exposure in Telangana and they are paying us money. So we are having close to Rs.206 crore.

**Anand Dama (Host – Emkay Global)**

In the retail book. Are you seeing some stress?

**Shri S. L. Jain, MD & CEO**

No. You see the retail book SMA and all this Slippage is Rs.120 crore and the collection efficiency is 95% - 96%. So there is no issue Sir and Rs.1,10,000 crore book and small amount.

**Anand Dama (Host – Emkay Global)**

Sure Sir. So any other participant if you have a question please use the raise an option to ask a question. Suraj, please unmute yourself and ask your question.

**Suraj, Analyst**

Yeah. Hi Sir. Thanks for the opportunity. Sir, one question on your housing finance book. If I see the slide 12 the housing finance rating mix has changed drastically. Because I think some account from the AAA has been either repaid or something like that and corresponding the housing finance book has also come down to Rs.13,000 crore to Rs.8,000 crores. So if you can give some color here?

**Shri S. L. Jain, MD & CEO**

Yeah. Yeah. One of the big account which because of the rate in all issues that repaid back.

**Suraj, Analyst**

Okay. Okay. Sure. Is it? Sir, ICICI Home finance?

**Shri S. L. Jain, MD & CEO**

Account specific will not work.

**Suraj, Analyst**

Sure Sir. Okay. Thank you.

**Anand Dama (Host – Emkay Global)**

Thank you. Suraj Next question we take from Jai Mundhra Please unmute yourself.

**Jai Mundhra, Analyst**

Yeah. Hi Sir. Good evening. A couple of questions. First there on we have this Ind Bank housing, right? Which is 51%. Where we own 51%. If you look at the draft RBI circular on the investments etc. How do you see the fate of that entity with. Would you be okay to merge with the Bank or how should one look at it?

**Shri S. L. Jain, MD & CEO**

No, this Indbank housing we are closing.

**Jai Mundhra, Analyst**

Okay so this anyway was going to get down irrespective of RBI circular.

**Shri S. L. Jain, MD & CEO**

No, we are closing it because this there is no activity in the company except they are having some assets. They are having some assets. So we are in the process of selling those assets.

**Jai Mundhra, Analyst**

Okay. So. Okay, okay understood. But we only have 51% stake. Right.

**Shri S. L. Jain, MD & CEO**

We are having 51% and then the HUDCO is there with us and 25% HUDCO and rest is public. But last so many days, last so many years there is no activity except the asset which.

**Jai Mundhra, Analyst**

Yeah. Yes. So that is a defunct kind of an entity. I was just thinking.

**Shri S. L. Jain, MD & CEO**

We are in the process of selling the Asset, which they are having.

**Jai Mundhra, Analyst**

Okay and Sir, secondly if you can share your loan book mix by benchmark how much is EBLR, MCLR, fixed rate book and foreign currency etc.

**Shri S. L. Jain, MD & CEO**

Yeah. So my as on the 30th of September MCLR book is 58% and the REPO link is 36% and fixed is 5% and others is 1%.

**Jai Mundhra, Analyst**

Okay, sure.

**Shri S. L. Jain, MD & CEO**

In MCLR also one year MCLR is 80%.

**Jai Mundhra, Analyst**

Oh okay sure and Sir, repo will anyway be within immediate or maybe one one week repricing kind of a thing. Right.

**Shri S. L. Jain, MD & CEO**

Repo will be the next day.

**Jai Mundhra, Analyst**

Right. Okay and Sir, this on PSL. Right. So I think the other income spike you have already answered on the PSL gains that we have seen. I believe we have a policy of amortizing PSL gains throughout the year so that the amount is more or less consistent. But what I wanted to check was if. I mean where is the commission that we get? If I look at annual report we tend to sell most of the category in SMF at small and marginal farmer. The small sale is there in the PSLC Agri. But if you can highlight what kind of the yields that you get or that you have got in the Q1 and Q2?

**Shri S. L. Jain, MD & CEO**

Two, three things basically in PSLC side our income which used to be Rs.400 odd crore in '22, Rs.657 crore in '24 now Rs.700 odd crores and around Rs.300 crore and Rs.182 crore last year. Rs.182 crore into 2 times i.e. Rs.364 crore. We are carrying it forward which will be the income for the Q3 and Q4. So this earlier we used to have in one quarter. But from last year we changed this policy. So this is going on and we are selling the PSLC in small and marginal farmer in other categories as well. But better return is in this category. 95% of our origin is small and margin farmer.

**Jai Mundhra, Analyst**

Right? And what kind of the yield could be there Sir, for this first half or maybe last quarter?

**Shri S. L. Jain, MD & CEO**

Around 2% somewhere 2.1%, 2.15%. This is on the market. It is a market basically around 2%, you can say.

**Jai Mundhra, Analyst**

Okay, so the market rate for PSL has been holding up, right? I mean earlier it has gone down to as low as maybe 0.5% also. But as of now it is.

**Shri S. L. Jain, MD & CEO**

What happened with the paces of time that it will come down. So we sold out in the first quarter itself, right?

**Jai Mundhra, Analyst**

Okay, understood. Sure and Sir, lastly on credit cost, right? So while the math is okay that you have reduced your net NPA by 12 basis point and we have reported a credit cost of 65 basis point annualized, right? So far the maths is good. But right now you have a net NPA which is very very low, right? So going ahead the credit cost could be like 20 - 30 basis point. Also. What is your assessment? Sir, assuming you have said that there is no asset quality stress is any part of the portfolio and the SMA 2 number that we saw is also government entity.

So the incremental credit cost assuming you make your net NPA stable could be as low as 20 - 30, 35 basis point. Would that be a fair assessment?

**Shri S. L. Jain, MD & CEO**

The credit cost is coming down because of the net NPA itself is coming down, right? So naturally the credit cost will further come down. How much it will come down will depends on the further slippage in a small account even can in agri or other account. But definitely the credit cost will come down considerably.

**Jai Mundhra, Analyst**

Right? And last question Sir, if you have the number for SMA 1 plus 2 at the Bank level, right. Because even in this quarter a lot of slippages would have come from below Rs.5 crores account. So if you have that number it will be very, very helpful, Sir?

**Shri S. L. Jain, MD & CEO**

Okay. Then we will provide you.

**Jai Mundhra, Analyst**

Thank you Sir. All the very best.

**Shri S. L. Jain, MD & CEO**

Thank you Sir. Thank you.

**Anand Dama (Host – Emkay Global)**

Thank you. Jai. Next question will take from Mona. Mona, please unmute yourself.

**Mona, Analyst**

Yeah. Hi Sir, just a follow-up question. So if I look at, the liability accretion in H1 between deposits and borrowing you've relied or the Bank has relied a lot more on borrowings versus deposits. So if you could just highlight what is going on here. Is it a challenge in deposits or is it because you're getting borrowings at a much, you know, competitive rate? If you could just throw some light here. Thank you.

**Shri S. L. Jain, MD & CEO**

You see what is my 400 days deposit rate is 7.30% today. If you see the bulk deposit interest rate is anywhere between 7.7% to 7.9%. These are the two rates. You know what is what rate? We raise the infra bond at a average price of 7.18% plus there is no CRR, SLR obligation, no DICGC obligation.

So if you reduce the cost of around 40bps because of negative carryover it comes to around a 6.8%. So which is, which makes a huge sense to us and therefore we are going for Infra Bond because ultimately the margins are important and we have a huge infra book of close to Rs.55,000 crore. Even so there's opportunity for us. So we are going for that.

**Mona, Analyst**

Got it Sir. Thank you. Thank you, that's helpful.

**Anand Dama (Host – Emkay Global)**

Thank you Mona. Next question we'll take from Rakesh. Rakesh, please unmute yourself.

**Rakesh, Analyst**

Thanks for the opportunity and quite a stable performance especially of the asset quality side. Quite good performance this quarter again. So just one question with respect to the loan write off. So are we looking at close to another Rs.3,000 crore of loan write off in the second half considering the run rate and plus what we had in the loss asset as on March '24.

**Shri S. L. Jain, MD & CEO**

You see your loan write off rate itself is coming down. So going forward lesser write off is against the current write off because some of the outstanding which we are getting, we are getting a tax benefits as well. So considering all aspect in view we go for write off, technical write off. But some write off will always happen because of the compromise and because of our balance sheet management.

**Rakesh, Analyst**

PCR, we are expecting to like maintain at this level or just considering that the accumulated provision number is also coming down. So just from that perspective I am asking the PCR number we would maintain it around this level only. Correct Sir?

**Shri S. L. Jain, MD & CEO**

PCR we at 97.6% so close to 98% of the PCR.

**Rakesh, Analyst**

Sure, sure, sure, sure. Thank you so much, Sir. Thank you Sir. All the best, Sir.

**Anand Dama (Host – Emkay Global)**

Sir, one question which has come in the chat box is that another Public Sector Bank had a higher AS15 provision during the current quarter. Is there a possibility that we might also do something similar maybe in next second half?

**Shri S. L. Jain, MD & CEO**

Now we have already increased our AS-15 provision from Rs.547 crore of the September '23 to Rs.812 crore. We already increased AS-15 provision and the reason for increase in AS-15 provision that we brought the discount rate to 6.94% as against 7.16% of the June and all. So we are exactly what the current market is.

**Anand Dama (Host – Emkay Global)**

Yeah. Sir, I think we do not have any further questions. Maybe we can close the path. Sir, if you have any closing comments.

**Shri S. L. Jain, MD & CEO**

Thank you very much for all analysts and investors for sparing your valuable time and giving us an insight and giving us a motivation to do better. So kindly keep supporting us. Thank you very much and happy Diwali to you all.

**Anand Dama (Host – Emkay Global)**

Yeah. Thank you all participants and happy Diwali from Emkay.