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Dear Sir/Madam,

Sub: Transcript of Bank's Conference/Earnings call held on 17th October, 2024.

We enclosed herewith the transcript of Conference/Earnings call hosted by Bank with the Analysts/Institutional Investors on 17th October, 2024 on Financial Results of the Bank for the Second Quarter and Half Year ended 30th September, 2024.

The copy of same is made available on the Bank's website under the following web link:
<https://www.centralbankofindia.co.in/en/investor-relations>

This information is furnished in terms of Regulation 46(2) and Regulation 30 of the SEBI (LODR) Regulations, 2015.

Please take the above on your record.

Thanking you.

Yours faithfully,
For **Central Bank of India**

CHANDRAKANT BHAGWAT
Company Secretary & Compliance officer

Encl.: As above



“Central Bank of India Q2 FY 25 Earnings Conference Call”

October 17, 2024



MANAGEMENT: **MR. M.V. RAO – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – CENTRAL BANK OF INDIA**
MR. VIVEK WAHI – EXECUTIVE DIRECTOR – CENTRAL BANK OF INDIA
MR. M V MURALI KRISHNA – EXECUTIVE DIRECTOR – CENTRAL BANK OF INDIA
MR. MUKUL DANDIGE – CHIEF FINANCIAL OFFICER – CENTRAL BANK OF INDIA
MR. MAHENDRA DOHARE – EXECUTIVE DIRECTOR – CENTRAL BANK OF INDIA

MODERATOR: **MR. RAJU BARNAWAL – ANTIQUE STOCK BROKING**

Moderator: Ladies and gentlemen, good day and welcome to Central Bank of India Q2 FY '25 Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need any assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Raju Barnawal from Antique Stock Broking Limited. Thank you and over to you, sir.

Raju Barnawal: Thank you and Good afternoon everyone and thank you for joining post-results conference call of Central Bank of India.

From the senior management side today, we have with us Shri M.V. Rao - MD and CEO; Shri Vivek Wahi - Executive Director; Shri M. V. Murali Krishna - Executive Director; Shri Mahendra Dohare - Executive Director and Mr. Mukul Dandige- Chief Financial Officer.

Now without any further delay, I hand over the call to MD sir for his opening remarks, post which we will open the floor for the Q&A. Thank you and over to you, sir.

M.V. Rao: Thank you. A very Good afternoon to all the participants.

Before sharing the financials of this quarter, let me share the good news that bank has received the CCI approval to acquire 25.18% of equity shares in the life insurance division of Future Generali and 24.91% in the non-life. Once this process completes then Bank will be having two additional JVs along with the existing two JVs which we have for the home finance and financial services.

So now just I would like to give the highlights of this September quarter's financials and then our CFO will be giving a detailed presentation. I think by this time you must have received our presentation which is already uploaded on to the website. Our Bank's total business which has grown 7.07% now it stands at INR6.44 lakh crores and then total deposits at INR3.91 lakh crores where CASA stands at INR1.91 lakh crores which is 48.93% of the total deposits and the gross advances grew by 9.48% which stands at INR2.53 lakh crores and the CD ratio that is credit deposit ratio improved to 64.71% Earlier in the previous September of '23, it was 62.43% around. Now gross NPA it stands at 4.59% and net NPA at 0.69%. Provision coverage ratio which is 96.31% and net profit has grown by 50.91% it stands at INR913 crores and let me share with you, this is a 14th straight quarter which bank is recording a net profit, and the net interest income has increased to INR3,410 crores and then net interest margin it stands at 3.44% for this September quarter.

Return on assets is improved to 0.85%. Return on equity improved to 12.76%. CRAR that is capital adequacy ratio now it stands at 16.27% where Tier 1 is 14.01%, so there is appreciable increase and a good set of numbers as far as the financials are concerned. For all the further details, our CFO will be explaining. Yes Mukul.

Mukul Dandige:

Thank you sir. So as sir has said net profit-wise last year three quarters whatever the net profit we had earned we have been able to surpass that figure in the first two quarters, that is the first H1 of this financial year. We have recorded INR1,793 crores of net profit during the H1 as compared to INR1,741 crores of net profit for the three quarters up to Q3 during the last financial year.

The standalone headline numbers if we compare, the yield on advances has increased by 22 bps on Y-o-Y and it is now 8.84%. Yield on investment has improved to 6.93% an increase of 38 bps. The cost of deposits has increased only by 11 bps, and it is now at 4.71%. We continue to hold on to our share of CASA deposits. It is still in excess of 48%. The NIM increased to 3.44%. The ROE on an annualized basis is 12.76%. The credit cost we have been able to bring it down now to 0.56% with the net NPA coming down to 0.69% during this quarter.

The slippage ratio also has been controlled and now the slippage ratio is at 0.38% for this quarter. The liquidity coverage ratio is at 240.19%, so it is a very comfortable liquidity still bank is enjoying and the NSFR is at 146.69%. The EPS is at INR1.05 and the ROA has improved to 0.85%, so we are on our track to make it at 1%. If we see the total interest income has registered a Y-o-Y growth of 11.58% to INR8,202 crores, the total interest expenses have increased by 10.85% to INR4,792 crores.

The net interest income has increased by 12.62% and it is now at INR3,410 crores. The total income has shown a growth of 17.08% and it stands at INR9,849 crores. The total expenditure on the other side has increased by 11.65% to INR7,684 crores. And therefore, the operating profit has improved by handsome amount of 41.5% to INR2,165 crores. The provisions are at INR1,252 crores and the net profit has shown an improvement of 50.91% and it stands at INR913 crores.

If we come to the breakup of interest income, the interest on advances has shown a growth up by 14.18% and it stands at INR5,402 crores, the interest on investments has also grown by 9.13% and it is at INR2,547 crores now. There is a degrowth in other income which was the interest income that we received on the income tax refund by around INR210 crores. The non-interest income which majorly comprises of recovery in write-off and other fee-based income, there also there is a very sizable improvement and on a Y-o-Y basis, there is a growth of 55.23% and on Q-o-Q basis also, there is a growth of 41.37% and the total non-interest income now stands at INR1,647 crores with recovery in write-off comprising INR620 crores out of this. The breakup of total expenses is that interest expenses have improved by 10.85% and the total interest expenses were at INR4,792 crores. Out of which, interest paid on deposits is INR4,530 crores, a growth of 8.43% and other interest was at INR262 crores. The staff cost was INR1,827 crores a growth of 27.14% and other operating expenses showed a degrowth of 5.08% and stood at INR1,065 crores.

As far as the provisions are concerned, the provisions for NPAs were at INR340 crores, 82% less than the last year same period. The standard asset to be made a provision of INR70 crores. The income tax provisions were at INR654 crores. On a prudence basis, the bank has made INR250 crores additional provision on standard restructured accounts. And therefore the total provisions were at INR1,252 crores and the net profit was at INR913 crores.

The asset quality as MD sir has said, the gross NPA is at 4.59% and the net NPA we have been able to bring it down to 0.69%. In absolute number terms, the net NPA is at INR1,674 crores. The sector-wise NPA if we see retail is at only 0.12%. Agriculture and allied is at 1.62%, MSME at 1.34% and corporate net NPA is 0.15% only.

Our provision coverage ratio was at 96.31%. The slippage ratio as I told is now at 0.38% and the credit cost is at 0.56%. The restructured book is at INR5,808 crores. However, INR1,571 crores worth of accounts are common in the restructured book also and they are appearing in the special mention accounts also. As far as the SME position is concerned, the percentage of special mention accounts to total advances has come down on a Y-o-Y basis from 6.69% to 6.10% and the amount is INR15,425 out of which the amount under SMA 2 is only INR3,014 crores and SMA 1 is at INR1,957 crores.

The capital ratios, the CRAR stands at 16.27% with Tier 1 CET at 14.01%, the leverage is at 5.88%. The business across the Board total business improved by 7.07% and now it stands at INR6,44,858 crores. The total deposits grew at 5.57%. CASA deposits grew at 4.61% and now they stand at INR191,270 crores. The CASA share continues to be at 48.93% which is one of the best in the industry.

The RAM advances grew at 19.95% and stand at INR182,205 crores. The CD ratio improved to 64.71%. Now within RAM also if we see the retail grew at 15.48% and it stands at INR76,373 crores, the agriculture showed a growth of 17.34% and it is at INR50,280 crores, and MSME has shown a robust growth of 29.45% and stands at INR55,552 crores. The risk-weighted assets still one of the lowest in the industry at INR167,998. There is a degrowth in the corporate loan book, but that was a conscious decision that the bank took, the corporate book has already grown by 10.61% and it stands at INR70,739 crores.

As far as the Retail segment breakup is concerned, retail constitutes 30.19% of total advances and within that housing loans constitute 63.06% and it has shown a growth of 18.51% on Y-o-Y. Education loan has shown a growth of 28.95%, the auto loan has shown a growth of 15.18% and personal loan at 10.35%. The rated standard advances continue to attract our attention. And the total AAA, AA, and A book and BBB book constitutes INR63,365 crores.

The sanctions and the outstanding and co-lending are very robust. We have been able to achieve all the mandated targets under the priority sector. Investment book continues to give us very good profit and the yield has improved to 6.93%. And if we take the trading profit also, then the yield has topped 7.76% now. So these were the basic highlights of the performance for the Q2. Now with the permission of MD sir, we'll open it for Q&A.

Moderator:

Thank you very much. We will now begin the question-and-answer session. We have the first question from the line of Mr. Ashok Ajmera from Ajcon Global Services Limited. Please go ahead.

Ashok Ajmera:

Thank you for giving me this opportunity. And complements to Rao sir and the entire team of the Central Bank of India for yet another very good quarter of a good set of numbers. I think,

profitability in the recent times and consecutive profitability for last, I think 14 quarters also. Having said that, I got a few observations and some concerns which needs to be addressed.

So sir my first is on the advances growth, the credit growth. So I think there the growth is absolutely muted as against INR251,000 crores in the March now it is INR252,000 crores if you take the entire 6 months as on today and I mean the similar story in the net credit also. So credit wise there is hardly any growth? So first is that how do we plan to achieve our targeted credit growth in the financial year now 2025?

Based on the sanctioned pipeline and the projects and applications under sanction and processes and what is your target for that? And how do we plan to achieve the same. So that is my first question which are on the credit growth the business growth.

M.V. Rao:

Yes. Thank you. Ajmera sir really you have asked us a very pertinent question. As far as the trade growth is concerned, if you see the growth in our RAM portfolio which is very, very robust and whatever that dip that has come is on the corporate loan book. This is a very conscious decision because when we are experiencing the rate of interest from the corporate side what they are demanding, and we do not want to sacrifice the NIM.

So vis-a-vis where without any credit costs from my investment side, I'm getting much more than what this corporate credit borrowers were asking rate of interest. So that was a conscious decision taken by the bank, that's why there is a dip of almost INR7,000 crores in the corporate loan book. Always it was a very short term, but nonetheless we were not interested to take up at a low cost. So it is only to protect the NIM of the bank that we took this decision not to increase the corporate loan book, that's why there is a dip of INR7,000 crores.

Ashok Ajmera:

Okay. So now going forward, the entire FY '25 financial year where do we see the credit growth in percentage terms vis-a-vis the March '24?

M.V. Rao:

See, we are conscious of the bottom line now. Protecting the bottom line, the way we are intended to grow that depends upon the market opportunities as well as the rating of the accounts where we can trade off between the credit risk weights and the rating of the accounts with the rate of interest. So what the projection we would like to make now is bottom line will be protected and then we will be eyeing for the enhancing the bottom line rather than eyeing for the top line.

Ashok Ajmera:

So now no growth target, sir 10%, 12%, 15%?

M.V. Rao:

We have a growth target already that for a year, we have given 12% is the floor and 14% is the upper limit for the credit growth.

Ashok Ajmera:

So you are maintaining the same?

M.V. Rao:

That we will continue to maintain. Depending upon the opportunities we will be there, but at the same time just to increase the credit growth to reach the percentages, we are not going to sacrifice the bottom line.

Ashok Ajmera: Sir, point well taken sir. My second question was on the standard restructured accounts. Sir we have seen that the provision of INR229 crores has been made. So as I understand our total standard restructured book is around INR5,800 crores something which includes COVID standard restructured also. So what is the total overall provision we are holding sir on the total standard restructured book including COVID?

Mukul Dandige: See these categories comprise three. One is the restructuring done in terms of the RBI earlier circular of 2017, '18, '19. So there the provision held is 5%. Then under the COVID this one, there were two sets 10% and the accounts which had already slipped before the restructuring was undertaken, there the provision was to be maintained. So we have a 15% provision in those accounts.

So put together roughly INR5,808 crores we can safely say that it would be around 11% to 12% provision that we are holding. Now on a prudence basis we have made INR250 crores additional provision. These accounts will be also ECL compliant. I mean where we need to put in additional provision as per ECL.

Ashok Ajmera: So altogether we are holding about INR850 crores to INR900 crores. Isn't it sir?

Mukul Dandige: Yes.

Ashok Ajmera: Including this INR229 crores?

Mukul Dandige: Yes, INR250 crores.

Ashok Ajmera: Yes. I mean, yes, INR250 crores. Sir, there is a very good income from the treasury operations in this quarter which has been booked and a very smart recovery from the written-off account also I think INR560 crores. So sir, going forward can we take this number for the remaining 6 months also, a good set of numbers so that to just the future profitability for the whole of this 2025? Do we have some is it more in the pipeline from the written off account to recover?

Vivek Wahi: Where are we regarding treasury, we are very much hopeful that in this decreasing wave scenario, of course, our regulatory is yet to look at rates, but we are very hopeful. It is almost priced in, but still we are hopeful that until March there will be around two rate cuts expected. So we are hopeful that the scenario should continue, and treasury should give us a good yield.

As MD sir has rightly said, that type of yield we were not getting in even in our public sector and government public sector advances included, so that is there. And in write-off accounts of our ED colleague, Mr. Dohare will show some light.

Mahendra Dohare: Written-off account also, we expect a similar numbers in the rest of the financial year because there are few accounts and which are in the pipeline, and we are very hopeful to get the good recoveries in these accounts.

Ashok Ajmera: Sir, there was very good news which we read, and you also announced that Bank is taking the sizable stake in Future Generali, both in the life and general. So going forward, sir, I mean,

what kind of capital infusion? Number one is the acquisition cost and secondly how optimistic we are about this investment going forward in future?

M.V. Rao: See. As far as the acquisition is concerned it is the open bidding process which has happened in the NCLT, we would be able to get INR508 crores. That is our acquisition and then going forward you know very well the bank assurance contributions to our P&L. Only with the distribution channels what we have, it is almost covering INR120 crores. So that is a kitty that is already there. And going forward we see a lot of synergies here. Let us wait and watch for the next move.

Ashok Ajmera: Yes sir. Sure. Sir one small data point on the miscellaneous income in this quarter has rapidly grown to INR137 crores. So is there any component of INR70 crores, INR80 crores, INR60 crores, INR70 crores coming from somewhere in the miscellaneous income in this quarter? From generally INR50 crores, INR55 crores, INR60 crores it has gone up to INR137 crores?

M.V. Rao: There is no IT refund this time.

Mukul Dandige: See my other total income is INR1,647 crores out of that commission brokerage is INR119 crores on which LC/BG/DD commission is INR49 crores, government business is INR26 crores, bancassurance is INR44 crores, service charges is INR379 crores. Other miscellaneous, okay this you are saying.

Ashok Ajmera: Below the service charges?

Mukul Dandige: Yes.

Ashok Ajmera: Because it's a good sizable account you said with respect to the bottom line.

M.V.Rao: Once we find it we will share with you.

Mukul Dandige: I will give you the details.

Ashok Ajmera: Yes. No problem. I will take it later. There is no issue. Thank you very much sir in this round. And if time permits I will come back again. Thank you and all the best.

Moderator: Thank you. We now have the next question from the line Mr. Sushil Choksey from Indus Equity Advisors. Please go ahead sir.

Sushil Choksey: Congratulations to Team Central Bank for excellent performance and a good direction. Sir, where CD ratio is concerned, I see you have a great advantage in the current banking system led by our CASA and many of the opportunities. So where do you see the next 6 months where we'll end up?

M.V. Rao: Yes, our guidance is to reach 70% that definitely our endeavour is to reach 70%. We are quite confident by this financial year ending, we will reach at 70%.

Sushil Choksey: What would be unavailed limits and what is in pipeline visibly from this quarter perspective?

- M.V. Rao:** Pipeline is two views, almost INR12,800 crores is in the pipeline that is there. But all these many of them are the term loans where disbursement happens in stages and entire INR12,800 cannot be drawn by March '25. So as far as reaching the 70% of CD ratio we are confident, no issue.
- Sushil Choksey:** Are you seeing any green shoots from private sector or at least is mainly public sector borrowings?
- M.V. Rao:** Yes, that is a trade of what we are always doing with the rating of the account and then rate of interest. We are trading off, yes.
- Sushil Choksey:** So low-yielding ones you are not taking up, but the high yielding ones what you're taking up? That's what is my assumption?
- M.V. Rao:** No, optimization is happening. It is not that if someone offers 9.5 and we will be very happy to take AA-rated this one so we will see how it comes out.
- Sushil Choksey:** What I meant is your conscious of quality and the sector what you are choosing with the right mix. So you're being prudent on the subject of lending that I understand. Sir, now the best news which we got in terms of our acquisition of Future Generali insurance, and I know that you have been conservative in speaking besides the to at what rate and things like that and what revenue we are able to generate.
- Sir, can you throw some light on a picture how the synergies between both will work? How will the bank benefit and your investment will fructify multifold over a period of time?
- M.V. Rao:** No. I do not want to tell all those things. Just I would like to give a small insights into this particular business because where we see a lot of synergy. See we have though we have the 8 crores borrower profile, 8 crores customer profile almost 5.6 crores is the active customers we have. When we are analyzing this insurance, it is only penetration is 0.61. Just you can imagine what is the cake that is available from my own customer active customer profile. So just I'm leaving at that point and regarding the asset insurance which is primarily driven by our asset portfolio and then new disbursements and new customers what we acquired. From our analysis, we see that though there is no focus, it is only a 20% to 25% of the assets are getting insured through the Banca channels. Another 75% is being done by the other channels. So just I'm giving the insights of the facts which are existing on my records. Just you can extrapolate or think what is going to happen in future once we have this arrangement in place.
- Sushil Choksey:** Being an existing customer Future Generali in some manufacturing-related activities. My experience about the company is excellent. Will the systems between our and Future Generali where this cross-sell and would be integrated technologically or only this referral work will work?
- M.V. Rao:** See, these are two separate things. One is right now I'm an investor. Once that acquisition happens, it becomes a JV, that is one part. Second is as per the regulatory guidelines, distribution channels which are available to all the partners with whom we have the Bancassurance tie-up that will continue, but at the end of the day the services provided by

these entities to the customers if customers are happy and then the way these people continue to service the needs the insurance needs of the customers normally wherever best service is available, they will move to that channel. That's why these are all two distinct areas. I do not want to mix up this.

Sushil Choksey: My experience on the digital side has been excellent. That's the reason I just sort of feedback.

M.V. Rao: Yes, we have digital channels that is from day one it will be a totally digital integration that will be there.

Sushil Choksey: How are we going to rebrand this and how soon that would be visible because that can big visionary for...

M.V. Rao: Still we are discussing all aspects regarding this branding and all the things. So let us see. It will take a little more time for us to publicly declare what will be the share.

Sushil Choksey: No, I'm not asking anything basically whether it will take shape in the current year by March '25 or not, that's what I was asking?

M.V. Rao: It should be before March only; it has to happen.

Sushil Choksey: Okay. Second thing sir on the CASA which is a very sustainable success story of Central Bank of India may be one or two other cases are comparable, not much. The efforts have been excellent from the team, which is working on it, whether it's rural Tier 2, Tier 3 were a basis. We have migrated on many technology platforms, and we are doing a lot of digital initiatives. Has those results started fructifying or the early visibility only and that would add to our kitty in a long-term basis?

M.V. Rao: No, already some of the products are rolled out where we are seeing the traction in that. And many more products that are slated for the next two to three months it is a continuous process where we will be shifting many of these products onto this new technology platform where a lot of optimization happens on the cost and also efficiency parameters. Coming to your point of CASA and all those things, let me share with you we made some experimentation with the BC Max because everyone knows in the industry, there is a one concept called a banking correspondent and another is your physical brick-and-mortar branches. We brought a hybrid in between and we have rolled out the pilot and it is very successful. And then going forward this will be the model where we will be reaching out in areas where our presence is not there. And then business is also happening well. In those areas where we will be moving with the BC Max centres. It is only a totally technology based solution.

Sushil Choksey: How many such touch points will be rolled out, sir?

M.V. Rao: We have identified almost 520 pin codes where CAGR of banking business is more than 15%, and our presence is not there. So as a pilot we are rolling out 25. And then based on this one again we will be expanding in all the pin codes where this business is there, and my branch is not available.

- Sushil Choksey:** Okay. So this would bring a lot of additional benefits to the bank from all perspectives. So all the exercises what we are doing or what we have planned for last 12 months on digital initiatives, how much capex we would have done so far and what is left that will still continue on an ongoing process and what is onetime?
- M.V. Rao:** See it is ongoing. This year our budget was around INR800 crores. And then some milestone-based payments have happened. That's why I cannot pinpoint and say this is the amount what we have expect, but budgeted is INR800 crores and as per the milestones as our partners are achieving that payments will get released.
- Sushil Choksey:** Sir, my next question to Mr. Wahi. What is the indicative guidance on the treasury yields for the year-end?
- Vivek Wahi:** Sir this calendar year we are not expecting now further much fall already touched INR672 crores. So maybe 4 basis points, 5 basis points here and there for this quarter, but definitely for March quarter, we are seeing another at least 15 basis points fall. So overall, it should not be more than 25 basis point fall up to March. This is our in-house view on the tenure. We had let us hope that scenario continues, and our treasury is a good time for treasuries have again come, it is a cyclical thing you all know. So let us hope for the best.
- Sushil Choksey:** Sir, in view of your treasury outlook, do we not only for our bank we were not in the rat race for CD ratio in terms of deposit mobilization at any cost. We have been very comfortable. What is our strategy on growth of where deposits are concerned in the next 6 months?
- M.V. Rao:** See deposit growth what see one thing you rightly observed. As far as our bank is concerned, I think only bank which is not in the certificate of deposit market, we never were there in that CD and we are very conscious and then we are principally, we are on the belief that CD should not fund our growth. And having CD ratio of 65%, we have a lot of liquidity. And then we have a CRAR above 16%, and we have enough growth capital and also liquidity. Going forward, our focus more will be to acquire the new customers on the CASA side and then offer differentiated products to the existing customers.
- Sushil Choksey:** Sir, as we have not been in depository as repricing might be hurting a lot of banks. Do I assume that we are comfortable with repricing of deposits and the sustainability is concerned to cost?
- M.V. Rao:** We always factor that past because my 49-point is already on CASA, and then taking the current deposits, my repricing portfolio which is exposed to the repricing portfolio is 50%. Within a year it will be around 24% to 25% that always we factor in. Whatever the increase in deposit rate, we make is only to protect our own turf in the deposit portfolio so that my customer need not go to other banks or want a higher rate of interest in term deposits. So that's the strategy we follow, and we are successful in that.
- Sushil Choksey:** Sir, do you think that with the treasury outlook and the global money market Indian rates in terms of cost of funds today bank-to-bank MCLR might be rising, but more or less in the current financial year, the rates have peaked from MCLR point of view?

- M.V. Rao:** But in normal this one you can say it is peaked, but if you see the certificate of deposit market, it is almost public sector itself INR2.76 lakh crores is there in the CD. Even if they want to shift it on to the customer deposits from CD to customer deposits, I do not know to what extent. But there is a probability that the rate of increase in the deposits may not be the same way which was happening for the past 6 months to 8 months.
- Sushil Choksey:** Sir, can you repeat the number of CD amount?
- M.V. Rao:** It is the total public sector banks which have raised these INR2.76 lakh.
- Sushil Choksey:** And as a system sir?
- M.V. Rao:** Total system INR5.36 lakhs.
- Sushil Choksey:** Sir thank you for answering.
- M.V. Rao:** Private banks and public financial institutions.
- Sushil Choksey:** Anything new which the shareholders or the analysts don't know, and we should know in the for the years to come?
- M.V. Rao:** Never that will be. New people will be much more having the market...
- Sushil Choksey:** Sir, what I meant is some new initiatives like Future Generali we acquired I'm not saying some acquisition has to happen, but some new business development, new plan maybe a large recovery, something growing from written off account, something which would aid our profit for the second half in terms of some new efforts or some new initiative on business, digital, whatever it may be that something new which will stand out for us in the next 6 months, that's what I meant?
- M.V. Rao:** Yes. I will share you in January call, whatever that we have done new and what was the result.
- Sushil Choksey:** Thank you sir and I will come back in the queue again.
- M.V. Rao:** Thank you.
- Sushil Choksey:** All the best and best wishes for the year.
- M.V. Rao:** Thank you.
- Mukul Dandige:** Sir, there was a question from Ajmera, he wanted to know about the details. So this INR90 crores out of that INR137 crores is the penal charges because till 31st of March, it was penal interest now it is penal charges. So we have segregated this. So that is why this – yes this is miscellaneous income is appearing higher.
- Moderator:** Thank you sir. We have the next question from Ashlesh Sonje from Kotak Securities. Sir you may proceed.

Ashlesh Sonje: Hi, team. Good afternoon. Sir, just a couple of questions. Firstly, if I look at your SMA 2 book above INR5 crores that has increased quarter-on-quarter from INR6 crores to INR360 crores. Can you share more details about this increase?

M.V. Rao: Just a minute SMA 0 what you are saying?

Ashlesh Sonje: SMA 2?

M.V. Rao: Above INR5 crores it was INR174 crores right now. INR88 crores it was there September '23 which has gone up to INR117 crores in June '24 and September '24, it is INR174 crores.

Mukul Dandige: See, I'll give you the details of top five accounts. Top five accounts constitute now INR180 crores plus.

Ashlesh Sonje: Sir if you just look at the Q-on-Q movement of the SMA 2 book above INR5 crores. I'm talking about SMA 1, I'm sorry. It was INR6 crores earlier. It's gone to INR360 crores SMA 1?

Mukul Dandige: SMA 1.

Management: SMA 1 also if the top five accounts constitute now INR325 crores. However, out of that one account already regularized. Other accounts are continuing in SMA 1, and we do not foresee any of them slipping.

Ashlesh Sonje: So you're saying out of that INR360 crores, INR325 crores is from just one account and that is now...

Mukul Dandige: INR325 crores is of the top five accounts. Out of that, one account is already standard worth INR10 crores, one big account is there, but that also is I mean okay we do not foresee any issue in that account also.

Ashlesh Sonje: Okay. So this is our telecom-related account, the big one?

Mukul Dandige: No.

Ashlesh Sonje: Okay. And that has become current again, the big account?

Mukul Dandige: It continues to be in SMA 1 only.

Ashlesh Sonje: Okay. Perfect. And secondly, you have made an additional prudent provision on standard restructured accounts, you said roughly INR260 crores, but your standard restructured book overall has only declined Q-o-Q?

Mukul Dandige: Now what has happened is we were to bring our net NPA in line with the industry that we have been able to do successfully. Now our net NPA has come down to 0.69%. So now we have shifted our attention from the ECL perspective if and when it comes. So we should be well prepared. So with that perspective already the standard restructured book we are having around roughly 10% to 11% build-up. So we want to build based on the PD and other things, we want to proactively build provision in that book also.

- Ashlesh Sonje:** Understood. So there is no specific exposure for which you have made this provision?
- Mukul Dandige:** No. It is only entirely the standard restructured book.
- Ashlesh Sonje:** Understood. Sir, just one last data keeping question. Can you give a breakup of your slippages across segments that INR766 crores of fresh slippage?
- Mukul Dandige:** Yes. So under Agri the slippages were INR187 crores. Under corporate, it was INR164 crores. Under MSME, it was INR270 crores and under retail, it was INR145 crores. And including the increase in balance of the existing NPA if we want to speak then INR233 crores in Agri, corporate INR183 crores. MSME INR330 crores and retail INR168 crores.
- Ashlesh Sonje:** Okay. Perfect. Thank you sir.
- M.V. Rao:** I think if anyone is not there we can conclude our session.
- Moderator:** Okay sir. As there are no further questions, I would like to now hand the conference over to management for closing comments.
- Mukul Dandige:** So on behalf of the entire top management of Central Bank of India, I would like to extend thanks to all the analysts for sparing their time and interacting with us. We'll continue to post good numbers with our endeavours, and we'll continue to excel. Thank you so much.
- M.V. Rao:** Thank you.
- Moderator:** On behalf of Antique Stock Broking Limited, this concludes conference. Thank you for joining us, and now you may disconnect your lines.