



“Punjab & Sind Bank Q1 FY-22 Earnings Conference Call”

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MANAGEMENT: SHRI S KRISHNAN, MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER
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Moderator: Good Evening everyone. On behalf of Punjab & Sind Bank, a very good evening to the Brokers and Analyst Community and the distinguished guests. I hope everyone has been safe and healthy during this time of pandemic. I would like to thank you all for taking out the time and joining us today. We welcome you all to the virtual analyst and brokers' conference of Punjab & Sind Bank to discuss the Bank's Q1 FY 2021-22 financial results. Before we begin, I would like to introduce the management who would be addressing today's gathering. To the left of your screen we have Sh S Krishnan, Managing Director and CEO and to the right of your screen we have Sh K V Raghavendra, Executive Director of the Bank. We have placed all microphones on mute. At the end, during the Q & A session, we will be coordinating for unmuting the representatives for asking the questions. I will take you through this process before the Q & A session. However, the management will continue to remain unmuted throughout the session. I would now request Sh S Krishnan Sir to address the gathering.

S Krishnan: Thank you Mr Sagar. Good Evening to all my friends from the analyst community. Thank you for making time and coming over here. The bank has declared the results of Q1 of the current fiscal yesterday. The results and the detailed presentation have been uploaded on the website of the stock exchanges and the website of our bank. But for the information of the participants here I will quickly run through a few of the slides of the presentation. I hope that people might have gone through but still I thought I will go through a few of the slides and then discuss with you, deliberate with you and take your questions. Now, I will take you through the important slides. You can see the highlights the CRAR has improved by 56 bps Q-o-Q, Net NPA has improved by 43 bps Q-o-Q, the Net Interest Margin has improved by 25 bps Q-o-Q, Cost to Income Ratio has improved substantially around 23% Q-o-Q, Operating Profit also rose by about 136% and the PCR has increased by 133 bps Q-o-Q. This is the business mix of the Bank. The deposits have grown by about 15.55% Y-o-Y while the Advances have grown by about 10.13% Y-o-Y. The Total Business of the Bank has grown by about 13% Y-o-Y. The Advances growth Q-O-Q is flat basically because of the second wave of the pandemic. Various states in the county have put lockdown restrictions. So, the demand for the credit was very low. Hence, it was flat. However, going forward with the lockdowns getting eased and the second wave almost coming to an end, the vaccination drive in full swing, I hope that that will be the demand for credit will be going up. Going forward, we'll be able to have



growth. I just hope that there is no third wave as is being talked about in various corners. The bank has been focusing on the asset quality of the bank both from the recovery point of view and in arresting the slippage. That has yielded a good result. In fact, last time when I was interacting with you all, I also said that my focus will be on the recovering the NPA and also arresting the slippage. We have put in place specialized vertical at head office for handling large value NPA. Similarly for the low ticket accounts, we have created both at Head Office and Zonal offices a separate cell, we call it a war room, because I feel that they should work just as if we are in a war. So, accordingly, this has yielded good results. If you look into the graphical presentation, you can see that the Gross NPA of the bank has come down to 13.33% from 14.34% a year back and 13.76% in the last quarter. Similarly, if you look at NET NPA, it has substantially come down from 7.57% a year back to 3.61% and further from 4.04% in the last quarter. The PCR has also increased to 84.22%. If you look into the slippage ratio, the slippage ratio has been contained at 0.68%. Let me tell you that slippage is around Rs.442 crore while my recovery and upgradation is around Rs.700 crore. This has really given better results for the bank, which will be seeing later in the top and the bottom line. When I was telling about the asset quality, that around Rs.442 crore slippage and around Rs.700 crore recovery & upgradation which has resulted in around Rs.300 crore or so reduction. It is spread across the different category of the NPA, be it substandard, doubtful or loss has shown a marginal decrease. I have talked on the top line and also the asset quality, let me also touch upon the bottom line, if you look into the operating profit has gone up substantially to Rs.411 crore as on June'21 as against Rs.174 crore for March'21 quarter and Rs.226 crore for the June 20 a year back. This is basically resulted in higher net interest income, which again, you can see that it is Rs.579 crore and a good non interest income, which has really helped for making an operating profit of Rs.411 crore, and ultimately the Net Profit has increased to Rs.174 crore. A year back to the bank was having a loss of Rs.117 crore and if I compare with previous quarter, the Net Profit has also grown by about 8 to 9%. If we look into the other 2 parameters, the cost to income ratio again, which was a serious concern for the bank, and also some of you are asking last time, you can see that the Cost to Income Ratio has been brought down to 55.73% but still it is high and we are working on that, and we hope that we'll be able to further reduce in the coming quarters. Then the NIM has improved from 1.7% to 1.95% though it was 2.08% a year back. Let me tell in this, that 2 companies of a



particular group, which you all know, the asset classification of which has been stayed by the NCLT. What we have done is that as a matter of prudence, we have de-recognised the entire unrealised interest that amounts to Rs.70 crore. If that is not done, the NIM would have been 2.18% which is still more than what was a year back and we are confident that in the coming quarters we will be able to improve from the current level of 1.95% and the same 2 accounts, which I said apart from the de-recognition, the bank also holds a reasonably good provision to meet any contingencies. So these are other key financial ratios. We can see that the cost of the deposit has come down to 4.42% and the yield on advances has marginally increased to 7.08% and the net interest margin is 1.95% from 1.70%. This is interesting, if I really look into, the credit cost has been consistently coming down rather than there was a reversal. As I said that my NPA position has come down by about Rs.300 crore. Naturally this will be net of the provisions which are made but we are what we have done as I was saying as a matter of prudence, we've gone with risk perception and made the provisions, wherever required, adequately, that is reflected in our Provision Coverage Ratio, which has gone up by about and then 133 bps Q-o-Q. The slippage ratio has come down to 0.68% from 2.9% last quarter. The cost to income ratio which we saw has come down to 55.73% and the staff cost to income ratio has also been contained at 36% and other overhead has come down substantially to 19.31%. These things have led to overall good performance of the bank. Last time I was telling that when I met you that we have turned around the bank, after incurring a loss continuously for 8 quarters, and we will be sustaining this trend and accordingly, the bank has demonstrated in this quarter also not only we are sustaining there is also improvement in the Net Profit besides as a matter of prudence, as I said, that we have de-recognised the income even though the asset classification is treated as Standard. Now, this is in brief. As far as the CRAR is concerned, the bank is very well capitalized. The CRAR of the bank is 17.62% with the CET-1 of 12.38%. So the bank is fully capitalized. Going forward we feel that there will be a good performance in all parameters. Thank you very much. Now I'll be glad to interact with you, to give any clarifications that my friends require. I also have with me my Executive Director, Mr.K V Raghavendra who will also be chipping in whenever it is required. Thank you.

Moderator:

Thank you sir. I would now like to open the meet for a brief Q & A session. You will notice a small icon on your screen, a hand sign.



Once you press this, it will alert us that you would like to ask a question. We will go around one by one. The person asking the question will be unmuted. I would request you to identify yourself and your broking house before asking the question. For those who have joined us through the audio call, request you to kindly WhatsApp me or Mr.Saikat or Mr.Shekhar to ask a question. We'll take it from our end. So we have 1st question from Mr.Ashok Ajmera from Ajcon Global.

Ashok Ajmera: At the very outset yes, sir, we compliment you that most of the promises or corrections which were ensured last time in the meeting have been already turned into a reality and the bank has indeed performed very well in this quarter. You already said that prior to this March, last 8 quarters Bank was in loss and last time it was in profit which you have maintained or rather improved the profitability. You are good at every parameter which we had picked or you had assured us last time. Having said that, there are some issues and some clarifications on some data points which I would like to ask. Number 1 sir, as you said due to second wave of Covid you couldn't do much in the credit portfolio but if you compare some of the other bank you know at least two percent, three percent, five percent growth in the advance is there and in your case, there is corporate credit which has gone up from Rs.36,138 crore to Rs.37,418 crore. It's a large amount. The corporate credit more than Rs.1200 crore whereas the others like, retail and others have gone down. So, does this increase consist of big 1 or 2 corporate accounts or a bunch of accounts or government accounts.

S Krishnan: Some of them basically are where states provide guarantee. These are well rated accounts. I will link this with my CRAR rather if you look at my risk weighted assets, which has come down. This is because I have assumed the exposures on better rated accounts or the accounts which are guaranteed by the sovereign.

Ashok Ajmera: All right, so, they are all very good corporate accounts. Secondly, sir we observed that our bank, even though it is a public sector bank, but looking at the size of the bank, some of the foreign bank overseas are not confirming our letter of credit. Even one or two of the top Indian companies are also not confirming the letter of credit for the supplier credit to the other foreign bank. In that direction, I think something should be done to get the Bank recognized with most of those foreign banks, because you are a



public sector banks and I think not much weightage has been given in the past on this.

S Krishnan: Mr.Ashok let me thank you sincerely for bringing this to my notice. I did not have information that my letter of credits are not being accepted by any bank and anyhow I will also look into and I will also engage with you separately to understand more details on that and we will ensure that our Banks LCs are as good as any other Public Sector Banks' LCs. Rather, if you look into my shareholding pattern more than 97% of my shares are held by the Government of India. The matter will definitely be taken up.

Ashok Ajmera: Coming to the next point, in the case of this note number 10 of the fraud accounts of Rs.217 crore, it is written that it is fully provided for. So it is fully provided for. I mean, you've not taken the dispensation of RBI to provide in the four quarters?

S Krishnan: No, we have not taken any dispensation.

Ashok Ajmera: Okay, so similarly you have made an extra provision for Covid of Rs.123 crore. So that is also an optional provision that you have made.

S Krishnan: Yes.

Ashok Ajmera: Basically, the profitability of the Bank would be much better but for these provisions.

S Krishnan: Yes.

Ashok Ajmera: Rest all is okay, just one more point of information. If you look at the Balance Sheet figure of advances and if you look at the advances in the presentation minus the provisions, there is a difference of Rs.48 crores.

S Krishnan: My CFO will be calling you after this and give you necessary clarification.

Ashok Ajmera: All right, thank you. My next point is on CASA, your bank has improved a lot profitability wise, working wise and PSB though may not very popular PAN India but otherwise in a major part of the country it is a very good bank in India especially North India. So, CASA, I know you will say that you are traditionally in that



range but it can definitely be increased and if it increases then, you know, every positive thing happens.

S Krishnan: I'm not saying that we are traditionally in that range. We have been improving rather and all the efforts are being taken to improve further. Days to come I hope we will be able to improve because ultimately, if I have to improve my NIM, it will not happen just like that unless I improve my CASA. I hope that in the coming days, you'll be able to see some growth as I am seeing some traction on the growth in CASA as though not very substantially, but some traction I could see from different parts of the country as you rightly said more particularly the northern part of the country. I hope that next time, when we meet it will be improved.

Ashok Ajmera: Sir this time you have SMA 2 of Rs.4,470 crore. Last time you said some government account on some technical reason something like Rs.3200 crore or Rs.3500 crore.

S Krishnan: Well, this Rs.4,470 crore, you are talking about the SMA 2 I suppose. Basically this SMA 2 of Rs.4470 crore out of which around Rs.3200 crore are the 2 companies where the NCLT stay is there. The third one is Delhi Metro which has been disclosed in the notes to accounts as per the orders of the Hon'ble Supreme Court of India, the asset classification downgradation has been stayed. So that is also appearing in this. The other one is one of the Central Government Guaranteed account, you know the name of the account, I need not tell. So that is appearing. Besides that if you look into, SMA 2 is very small.

Ashok Ajmera: Those 2 borrowal accounts are only Rs.1243 crore isn't it?

S Krishnan: Yes that is Rs.1243 crore and then you have Delhi Airport Metro. I also said that you have another account with Central Government Guarantee which is around Rs.1500 crore.

Ashok Ajmera: So we are in comfortable position. Nothing is going to slip into NPA.

S Krishnan: No, I don't foresee much. These two companies which are in that group, the risk involved in that was the reason, the unrealized interest was derecognized. Though it was a huge amount for a bank of our size but we decided to bite the bullet and we have also created a reasonably good provision.



- Ashok Ajmera: Yes, Rs.473 crore. Thank you. I'll come back again if I get the opportunity.
- Moderator: Thank you sir. The next question is from Mr Tejpal Jain from Suashish Diamond.
- Tejpal Jain: Sir, I just want to know the outlook for FY 22 for your Bank and next, currently the pandemic is going on and we are recovering from it so from which segment you are getting the most stress. Any guideline for the NPA and slippage for FY 22.
- S Krishnan: As far as the outlook for FY 22 is concerned, in advances I may be growing about 10% or so but as you were rightly saying with the pandemic going on, I feel we may get 10% growth. Regarding your next question as to where I am seeing the stress particularly with this pandemic after the second wave which has hit almost everyone across the country, be it metro city or a rural place. So, I am seeing stress not only in my bank but industry as a whole is MSME which is highly vulnerable. They are more fragile. So I am seeing the stress and my bank is not an exception to that. I see the stress in MSME though it is reasonably under control and also the retail. But what I am seeing is the resolution framework brought by the regulator be it resolution framework 1 or resolution framework 2, that will ease out the liquidity problem of these borrowers be it MSME or retail. My experience is that as far resolution framework 1 is concerned though initially many borrowers said that they will like to exercise the option. Subsequently, when the lockdown eased when the pandemic came down in the first wave and economy picking up most of the borrowers came back and said that we want to stick to the original repayment schedule and they have been paying. But after the second wave again there is a disruption. There are a large number of customers who are eligible for the resolution. We have been in dialogue with each of them and wherever necessary we are extending. But the sectors where I feel the stress, is MSME and Retail. The resolution framework and other sops brought in by the Reserve Bank of India and also the Government of India I hope that this temporary phenomena, the industry should be able to see good growth in the country.
- Tejpal Jain: Like you have given the guideline for 10% advances is basically so in, like, in the pandemic scenario, we have seen many of the companies not feeling well reluctant to take the loan, they are preferred to repay whatever outstanding they are having. So, I



mean, how can you expect at least 10% advance and secondly what is your guideline for FY 22 for NPA and slippage as such.

S Krishnan: When I say 10% increase in the advances the percentage may look high in the current scenario of pandemic but we have to look into two of the things which I said, one is god willing there won't be any third wave and with the increased vaccination drive, I hope that the economy will come back. Secondly, percentage wise 10% may look high. But if you look at my base of advance, 10% is not much as my base is too small. So 10% should not be difficult to achieve. Coming to my NPA I hope that I will be maintaining my Net NPA at around 3.25% to 3.5%.

Tejpal Jain: Thank you sir.

Moderator: Thank you sir. Sir we have received some questions from our dial in users. I will take those questions on their behalf. 1st question is what is your cost of funds? How do you see it panning going forward?

S Krishnan: My ED, Sh Raghavendra will reply to this.

K V Raghavendra: If you see the cost of funds and cost of deposit both have come down. The cost of deposits has come down Y-o-Y from 5.47% to 4.42%. Similarly, cost of funds has come down from 4.90% to 3.74%. So what I envisage is that the cost of funds should stabilize at the level of 3.60% to 3.70% in the days to come.

Moderator: Thank you sir. The next question is from Chintan Shah from MATA Securities. His question reads kindly share your outlook of loan book for FY 22, and also he also wants to ask what is the CASA currently and what it would be outlook on that.

S Krishnan: As far as the outlook for loan book is concerned, I just told that for this year I expect a growth of around 10%. As far as my CASA is concerned, currently my CASA is 31.31% and Outlook is I expect that it should go to around 34 minimum.

K V Raghavendra: We expect it to be around 33-34%.

Moderator: Thank you, sir. We have next question from Mr. Sushil C Choksey.

Sushil Choksey: What is your guidance on NIM and Cost to Income Ratio?



K V Raghavendra: This cost to income if you have seen, it has drastically come down Y-o-Y from 78.94% to 55.73%. But you know the industry level i.e. PSBs is below 50% so we want to go below 50% by March 2022

Sushil Choksey: And sir where do you see your cost of funds for the year?

K V Raghavendra: Cost of funds now it is 3.74% and it should stabilize at the level of 3.60% to 3.70%. We don't expect cost to go up.

Sushil Choksey: And sir what is your guidance on credit cost?

K V Raghavendra: Credit cost is negative this time and we expect it to be between 0.20% to 0.30% as we have made provisions in most of the accounts. We don't expect the credit cost to go up. Anyway it should be below 0.50%

Sushil Choksey: So then based on credit costs and cost of funds i will urge the bank why are we not more aggressive on retail loans or credit growth with these AAA / AA rated loans where your NIM would be showcasing as well as NII will showcase much superior growth to the market industry. I suppose it's a best turn around industry and with government holding at 97% it is the best way for you to grow and demonstrate your ability.

S Krishnan: You are right Mr Sushil. Infact that is what we are also looking into. Now you know that the Bank was in trouble so the focus was on how to turnaround the Bank. So now we have turned around. As you say, now, that the bank is comfortably placed with sufficient cushion and other things we are looking for a good growth that is what just before you somebody asked about that outlook of the advances, i said that we will be going around ten percent. So, there was a question in this condition, whether it is possible. One, my base is very low, so my percentage may look high, but it is possible. Second, as you say, that with the current position of the bank, we can be aggressive in the sense with the proper risk assessment and risk perception we'll be able to grow. So we will definitely be going on that what you are observing.

Sushil Choksey: So, are we looking more from a government sponsored organization or private sector kind of structures.

S Krishnan: I am open with both. As I said my focus will be on retail and the corporate I am ready and I will be taking proper risk assessment and where the bank is comfortable.



Sushil Choksey: If you look at historically your net interest income, it has been on a stable number at around Rs.2200 crore to Rs.2300 crore plus. But with cost to income as well, as your provisioning requirement, lower. Can we see a much substantially better number going forward, quarter on quarter, or this is a range, which you would be comfortable with.

S Krishnan: I hope that there will be a better numbers quarter on quarter. In fact, last week after my March results when I was meeting all of you, I told you that the bank has turned around after 8 quarters and we will be able to sustain, not only sustain we will also be taking all the efforts to see that we are able to give you a better number. Accordingly, we have done, the net profit is up by about 9% quarter on quarter. But if you look into a year on year, last year it was a loss but we could break out and this also despite making various other provisioning.

Sushil Choksey: So how are you placed on digitization and 2nd thing recovery from written off assets.

S Krishnan: As far as the digitisation is concerned, bank has embarked upon a lot of projects, I will call it as a technology transformation projects. Many projects are simultaneously going on. One of the projects which will be completed very soon and probably next time when we meet with my Q2 results, I will request to Mr Sushil particularly to give me the feedback after experiencing my Omni channel which will be an umbrella for various digital channels like mobile banking or net banking and UPI and so on and so forth. It is in an advanced stage. I hope that it will be rolled out during this Q2 and that my digitals will be enhanced. Second was your question on recovery from written off accounts. Recovery on written off accounts I am taking on campaign mode also. As I was telling the people, my friends like you earlier, the bank has created a separate vertical at Head Office for large size NPAs and also at the zone and Head Office a war room type for small ticket NPAs which includes the written of accounts also. So, we have been contacting, infact in this quarter also we had a reasonably good recovery from written off accounts. I expect much more in this coming quarter also, which will add to my operating.

Sushil Choksey: So my last question would be do you see your operating and employee cost at more or less static as the current quarter or there would be a wider fluctuation.



- S Krishnan: I don't see much fluctuation. It will be almost static.
- Sushil Choksey: Do we have more retirees or are we looking at fresh recruitment?
- S Krishnan: There are retirements. Infact if I have to really factor that my cost will be coming down because I do have some recruitments. If you look at the public sector space, probably you have lowest number of employees in my bank. That is the one advantage I have. The second advantage is when I look at the mix of my employees, the age group of the employee is very, very low in my bank. So comparing the other PSBs where the retirements are at large scale, not to that extent. Yes, the retirements are there, at the same time, I'm also going for recruitment, which will definitely bring down my costs because the persons who have put in lot of service will be drawing a higher salary, will be retiring so I see that many employee costs will be I don't foresee much of variation.
- Sushil Choksey: Sir one last question. What is your Digital expenditure budget for the current year and second thing is whether the Government asking you to dilute to 75% in current financial year as we did hear in some conference call in a public sector bank that government is asking them to reduce their holding. What is the guidance to us?
- S Krishnan: Currently there is no such guidance to reduce the government holding. You know that the bank was having an issue of the capital adequacy so the government infused the capital just last quarter at the end of 2020. We received the capital thereby the government holding went up to 97%. Currently, the government has not asked and as of now we are as well capitalized, but with the performance that is telling you now in favor of the bank and showing a better results. Going forward probably will be able to tap the market. Currently, we do not have capital requirement for this fiscal. But next fiscal we will be working on that at that point in time we will knock the doors and come to the street for raising the capital, with that the government holdings will come down. Regarding the budget for the digital expenditure, I will just ask General Manager – Information Technology to be in touch with you and give you the details.
- Sushil Choksey: Thank you sir and all the best to you and your entire team and management of Punjab & Sind Bank.



Moderator: Thank you sir, the next question is from Mr Swapnil Shinde from Ajmera Securities. His question reads, how are you placed with reference to current comparative scenario when compared to the other PSU and Private banks.

S Krishnan: Punjab & Sind Bank has got its own presence and its brand equity. Though there is competition, there is competition in every activity and every industry. It's not only to the bank and be it from the public sector space or the private sector space the competitions are there. But still the bank has got its own edge, the niche in a different geographical presence and different types of products and services. So, I do not foresee that this should be 1, but rather I take it as an opportunity. I will be competing and, what I have done is basically, the presence of the bank is more in the state of Punjab and Haryana. So what we have done is, very recently we have created a Field General Manager position at Chandigarh so that he'll be able to take quick business decisions. There are about 10 zones in that state itself. All those zones which are headed by Zonal Managers, some of whom are Deputy General Managers and some are Assistant General Managers are reporting to the Field General Managers. The Field General Managers have been given sufficient powers to take business decisions. Today what is required in competition is the TAT. If the bank is able to take a decision and quickly deliver to the needs of the customer, we are the winners. To address that we have created this and a seasoned, experienced General Manager has been posted there as a Field General Manager. Things are picking up and I could see the traction. The second is as far as the retail is concerned where I said I will be focusing. The retail customers always look into the turnaround time. That is where the competition comes from, they have a different tiers, depending upon their efficiency. The retail lending is by and large rule based lending. So, what we did was, we were having a centralized hub only at Delhi, but now we have expanded that. To begin with that I expanded again in the state of Punjab, Amritsar and Chandigarh. Now, we have expanded that to different parts of the country thereby, one, I'm ensuring my underwriting standards. The underwriting is differentiated from that sourcing front office. The front office people are relieved of this job so they can concentrate on sourcing and delivery. Thereby the competition can be met and I put in place specialized people for underwriting processing where they have this specialized knowledge, and also software driven, which will bring down my turnaround time. That is what ultimately



the customer has fetched particularly in the competitive world. So, I feel that I'll be able to get benefit out of this.

Moderator: Thank you sir. The next question is from a dial-in user. His question reads, with the equity markets booming how has been the income from Treasury and his follow up question is what is the breakup of your investment in Equities and Debt?

K V Raghavendra: As you can see our non interest income has gone up. So the Treasury income has been quite good. I think the growth Y-o-Y is in double digits. So the treasury income has been very good. The treasury income has gone up by 91% where we have encashed the booming market. It has been quite good. I think if the boom continues our treasury income will be quite good. With respect to your next question, most of investment is in G-Sec only. Equity investment is only around Rs.320 crore.

Moderator: Thank you, sir, we'll be taking the last couple of questions. The next question reads, do you foresee any impact on the bank as the country is talking about the 3rd wave and are there any steps you are taking for that.

S Krishnan: This is a question which, whether there will be a 3rd wave and if so what will be the intensity. Nobody will be able to answer this, these are again uncertainties. That is what we say, that this is a big uncertainty. We live in a world of uncertainty always, but this is a very big uncertainty. Having said that what are the precautions that are being taken is that the country has taken a lot of measures for vaccination, which will reduce the impact of the 3rd wave, if at all if there is a 3rd wave. What we have done is keeping in mind the social responsibility also we have introduced a product thereby to encourage the citizens to go for vaccination. A small incentive, a 0.15% additional interest on term deposit is being offered by us for those who are getting vaccinated. So this is from the point of view of encouraging the citizen. Second as far as my banking book is considered steps that are being taken is closely monitoring and taking necessary mitigatory measures to ensure that the interest of the stakeholders are maintained but your question is a typical one, which we have to wait and watch what will happen. I hope, and pray that there should not be a 3rd wave because this pandemic has not only affected the industry, many lives across the globe. So, let us all jointly pray that there should be no 3rd wave.



- Moderator: Thank you sir, we'll be taking the last question for the day. It's from Mr.Ashok Ajmera again from Ajcon Global.
- Ashok Ajmera: My question is on the investment book only. A lot of money has gone back from non SLR to SLR book. You have reduced your CPs and CDs very substantially in this quarter. So, whether it is a conscious decision not to go much for CPs and CDs on a higher rate of compared to the SLR investment. Because your SLR has grown from Rs.19,000 crore to Rs.24,000 crore. Whereas, your CDs have come down from Rs.1430 crore to Rs.291 crore and CPS also from Rs.533 crore to Rs.295 crore.
- S Krishnan: Let me tell you some of these are temporary ones, so we are also looking into some of the Non SLR and building up the non SLR depending upon the market conditions. The SLR has been built up, basically because banks were having excess liquidity. So through arbitrage I have taken some SLR. But your observation is right. But if you look into Non SLR has gone up to from around Rs.6000 crore to Rs.11000 crore. It has gone down from March 21 but it is only temporary.
- Ashok Ajmera: You were saying that the equity portfolio is Rs.320 crore. I generally believe that part of this portfolio is the segment or old portfolio. You hardly have 30, 40 crore equity.
- S Krishnan: Yes, you are right, infact we have only recently activated the equity cell. Hope that in the days to come it will be more active and we will be able to have a journey and portfolio allocation.
- Ashok Ajmera: If you have good allocation, you have so many good IPOs coming and other equity if you can increase and the market is also good here so I think it can make some good money. We have a good time.
- K V Raghavendra: Actually we are investing but it is only for the listing gain. We are not holding it in our portfolio. But wherever we find it to be very good in extreme cases we hold it. Otherwise trading we have been doing and listing gains also we are taking advantage
- Ashok Ajmera: In this restructuring slide, there is MSME restructuring of Rs.641 crore, vehicle loan restructuring of Rs.848 crore. These are all individual vehicle loan borrowers.
- S Krishnan: These are all individual, small loans.



- Ashok Ajmera: Sir there is one small penalty by Reserve Bank of India of Rs.25 lacs and Rs. 1 crore in this quarter. Is it one time type of thing, have you corrected the compliance?
- S Krishnan: These are basically of some old one. Some time back based on some non-compliance of the regulatory guidelines. That one crore penalty was levied on some 13 to 14 banks. This is a very old issue. The other one was on my net banking site. There was issue a year back or so. For that the system has been corrected.
- Ashok Ajmera: Thank you sir. Hopefully, the bank will come back with much better result.
- S Krishnan: Next time when we meet we will be able to show performance which is better atleast than what is was as I promised to all my friends last time when we said that we will be sustaining the turnaround profit made in March. That has been demonstrated and we are fully committed that going forward we will be sustaining this trend and we will be making all the efforts to improve the performance. Thank you very much.
- Moderator: Thank you, sir. With this we come to the end of the conference. Thank you everyone for joining the conference call. Our team will be getting back to you. In case of any queries, you can get back to us, Mr Saikat or Mr.Shekhar from our team. We will be happy to help. Thank you and stay safe.