

CO:IRD:2025:26:118

Date: 28th July, 2025

National Stock Exchange of India Limited Listing Department, Exchange Plaza, Plot No. C/1, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051 Scrip Code-CENTRALBK	BSE Limited Corporate Relationship Dept., Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400 001 Scrip Code-532 885
---	---

Dear Sir/Madam,

Sub: Transcript of Bank's Conference/Earnings call held on 21st July, 2025.

We enclosed herewith the transcript of Conference/Earnings call hosted by Bank with the Analysts/Institutional Investors on 21st July, 2025 on Financial Results of the Bank for the First Quarter and Three Months ended 30th June, 2025.

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 Q1 FY'26 Earnings Conference Call”

July 21, 2025



MANAGEMENT: **MR. M. V. RAO - MANAGING DIRECTOR & 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. MAHENDRA DOHARE - EXECUTIVE DIRECTOR, CENTRAL BANK OF INDIA
MR. MUKUL DANDIGE - CHIEF FINANCIAL OFFICER, CENTRAL BANK OF INDIA

MODERATOR: **MR. RAJU BARNAWAL - ANTIQUE STOCK BROKING LTD.**

Moderator: Ladies and gentlemen, good day and welcome to Q1 FY'26 Central Bank of India Earnings Conference Call hosted by Antique Stock Broking Ltd.

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 assistance during the conference call, please signal an operator by pressing the '*' then '0' 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 Ltd. Thank you and over to you, sir.

Raju Barnawal: Thank you. Good afternoon, everyone and thank you for joining the Post-Result Conference Call of Central Bank of India. Today, from the Senior Management side, we have with us Shri M. V. Rao – MD & 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 have a Q&A session. Thank you and over to you, sir.

M. V. Rao: Thank you and very good afternoon to all of you. First, I will be giving financial highlights, what we have achieved for this June quarter and the details will be run through by our CFO – Mr. Mukul Dandige.

And this time, I am very happy to share that our ROA, that is return on assets, have improved to 1.02%. In June '24 it was 0.82% and then return on equity has improved to 14.17%. If you compare with the previous June, it was 12.60%. So, CRAR improved to 17.66% of which tier 1 at 15.48% registering an improvement of 198 basis points. And our most important is on the gross NPA, which has come down to 3.13% and net NPA now stands at 0.49%. And added to this, the slippage ratio, it is just 0.35% and our trade cost stands at 0.68%. And NIM, that is net interest margin, which stands at 3.16%. And cost to income ratio has also improved. Earlier, it was 57.71%. Now, it got reduced to 55.43%. These are all these ratios part.

And coming to the total business now:

It has grown by 10.84%, now stands at Rs. 7.04 lakh crore. And total deposits have grown by 11.41%, now stands at Rs. 4.28 lakh crore. And CASA deposits, it is 46.88% and which increased by Rs. 11,659 crore, registering a YOY growth of 6.17%. And gross advances increased by 9.97%, wherein in sub segments in RAM portfolio has increased by 15.71%. So, there is a clear distinction that there is a reduction on the corporate side. There is a reason for that, that we will be explaining because of the pricing factors where we were not interested to lend below 6%. That was the issue there.

And coming to the other operating profit:

It is increased by 15.60%. Now, it stands at Rs. 2,304 crores.

These are all the highlights of our "Financial Results" and further details will be shared by our CFO, Mr. Mukul Dandige.

Mukul Dandige:

Thank you so much, sir.

So, interest on advances has seen a YOY growth of 9.81% to Rs. 5,932 crores. The investment income has gone down by 4.99% to Rs. 2,340 crores. The other income, that is the interest on balances with RBI and banks, has gone up by 10.44%.

As far as the non-interest income is concerned, as compared to Rs. 1,165 crores in June 2024, it has gone up by 53.30% to Rs. 1,786 crores, mainly contributed by treasury income and also the recovery in write-off accounts. The total expenses side, the interest expenses on deposits have gone up by 8.73%. And the other interest has gone down by 66.28%. The operating expenses have increased by 5.33% to Rs. 2,865 crores, out of which the staff cost has grown by 7% to Rs. 1,834 crores and other OPEX have gone up by 2.49% to Rs. 1,031 crores. So, the total expenses are at Rs. 8,070 crores for the quarter ended June 2025.

Then if we come to the provision side:

The provision on NPAs has reduced to Rs. 468 crores for the June 25 quarter. The income tax provision has gone up to Rs. 614 crores. And as we are doing for the last three quarters, we have provided Rs. 250 crores towards the ECL requirement once again by Rs. 250 crores. So, the total provisions as against June 2024 is 1,113 crore. Now, the total provisions have gone up to Rs. 1,135 crores. And the Bank has been able to register a net profit of Rs. 1,169 crores, which is again one of the highest ever net profits. And the two major factors is that our ROA is now 1.02% and the net NPA, we have been able to bring it down to 0.49% now.

If we go to the asset quality trend, the net NPA, which was at 0.73%, we have been able to bring it down to 0.49%. And gross NPA has come down from 4.54% to 3.13% as of 30th of June. In terms of absolute numbers also, the net NPA has reduced from a high of Rs. 1,771 crores in June 2024, now to Rs. 1,308 crores only. If we go to the recovery in write-off, which is a special slide that we have created, if we see last four years, we have done exceedingly well as far as the recovery in write-off is concerned.

In the Financial Year 2021-22, we were able to recover Rs. 331.52 crores, which went up to Rs. 1,282.59 crores in 2022-23, which further increased to Rs. 1,433.32 crores in 2023-24. And 2024-25 saw a further uptick to Rs. 1,716.33 crores.

For this quarter, the recovery in write-off stands at Rs. 613 crores, which is a very important factor. The provision coverage ratio has improved to 97.02%. The slippage ratio was at 0.35%,

and the credit cost also has reduced to 0.68% only. The special mention accounts, Rs. 5 crores and above, the total balance is now Rs. 1,008 crores only, out of which SMA-2 accounts are 9, which total to Rs. 69 crores only. The restructured book stands at Rs. 4,948 crores.

As MD sir has told, the CRAR improved to 17.66% with CET-I touching at 15.48% and Tier at 2.18%. The leverage ratio has also improved to 6.21%. The total business growth was 10.84%, and the total business stands at Rs. 7,04,485 crores, with deposits clocking a growth of 11.41% out of which CASA growth was at 6.17%, and total CASA deposits have crossed the milestone of 2 lakh crores and they stand at Rs. 2,522 crores. The CASA percentage still continues to be very healthy at 46.88%.

The advances growth was at 9.97%, but if we see, the RAM growth was at 15.71%. With our retail clocking 17.51% growth, agriculture clocking 12.70% growth and MSMEs still continuing at 15.94%. And all these still with credit risk-weighted assets of 62% which is one of the lowest in the industry.

We do have a very diversified loan book with housing loan at Rs. 53,299 crores, auto loan Rs. 3,988 crores, which is a major portion of the retail assets at Rs. 85,156 crores, agriculture at Rs. 53,057 crores, and corporate credit at Rs. 76,966 crores. The RAM advances stand at 72.07% for the quarter ended June 2025.

The standard-rated advances, if you see, the share of A and above-rated advances is 77.11% of the total advances of Rs. 77,654 crore. If we see the BBB and above-rated advances, the percentage is 94.49%. Thereafter, we have surpassed all the targets, mandated targets under the priority sector lending. The investment book continues to be one of the robust books with yield on investment at 6.76% and if we add the trading profit, then the yield was at 8.31%. So, this was all from our side as far as the financial highlights are concerned.

We are now open for question and answer.

Moderator:

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

Ashok Ajmera:

Thank you very much for giving me the opportunity. First, at the very outset, I would like to convey my great sense of congratulations and appreciation for Rao Saab for your very chequered banking career. And you are leaving the Bank as very strong like ROA target, which was your target. You already crossed 1%, so it is 1.02%. Net NPA, you brought it down below 0.5%, which is another landmark, and I think one of the highest profitability of the Bank in the last 4-5 quarters, even the operating profit, and if you talk about the net profit also. So, compliments to you, sir, and a heads up to you and all the best for your second inning in life. We will all miss you, sir.

M. V. Rao:

Thank you.

Ashok Ajmera:

Having said that, I already appreciated the profitability number. But, sir, I have got a few data points and some concerns. My major concern is on the credit growth. I think though overall, year to year, if you see, you say 9.9% or 10%. But in this quarter, I think which is one of the terrible quarters as far as the credit growth is concerned, we went down by 5% as compared to March. So, that is the major thing because we are very comfortable on CD ratio. We are very comfortable on CRAR. We have got a very good large client base, good retail opportunities, good FME opportunities. So, where we went wrong or what are the challenges which the Bank is facing as far as the credit book is concerned to increase or the credit growth? This is my first major point. Your profitability would have been more by Rs. 57.63 crores, but for changing the depreciation method. So, the actual profit is really higher than what it is. So, no comments on that. Our SMA-0 in this quarter has gone up from Rs. 221 crores to Rs. 537 crores. So, if you can give some color on that, that they are all regularized by now. Treasury income has contributed a lot. So, my compliments to the entire treasury team. And sir, one, I would like to know the plans for our being making the Future Generali as the associate company by investing good amount of almost about Rs. 500 crores in both life and general insurance. So, what are the plans which we are working out? How is it going to help as far as the revenue of the Bank is concerned and the future value growth by acquiring, finally, signing the shareholder's agreement and some color on that restructured book of Rs. 4,000 crores, almost about Rs. 5,000 crores. So, these are the some few questions and a little bit on our recovery from return of account has been a little bit lower down as compared to the March. So, what are the prospects for that. sir?

M. V. Rao:

Yes, coming to first and foremost concern what you have expressed on the credit growth. Let me tell you that it is not at all a concern. You should be happy to note that Bank is much more concerned about the bottom line. If you see actual growth on the advances on the retail agri MSME, that is the RAM portfolio, which is almost 15.7% and reduction in the growth that has happened on the corporate side. It is a very conscious decision from our side that we do not want to lend at the rates what the corporates were demanding. So, this is also because our investment yield is almost 6.71%. There is no point in giving that 5.85%-5.80% just to show the topline. So, all of you are aware that we never played to the gallery and we never played for the top-line. We are interested in the bottomline and strengthening the Bank in all possible ways, in all the areas. That's why we have focused. That's why there is a reduction. So, it's not a concern. You should appreciate our way of working that we are protecting the bottom-line even during challenging times where corporates are demanding below 6%. That's how. And at the same time, we are also mindful of the fact that aggressive growth should not be there. That's why we have moderated our RAM growth around 16% that we will continue to do that. And definitely going forward, another nine months is there, another eight months that we will get the opportunities to pick up the assets at the right price that we will be balancing with the pricing, with the risk, so that capital conservation do happen on the corporate side. This is on the credit side.

On the SMA, I think it's a very minuscule amount that is there and the SMA-0, now already Rs. 353 crores. Already it is upgraded, it is regularized and we do not have any issues as far as the SMA-0, 1 and 2 is concerned in the credit this one. That is also reflected in your slippage ratios. It is just 0.35% what we have recorded for our June quarter and coming to insurance, yes,

it's a very happy news. Just I would like to share with you that we have already signed shareholders agreement, trademark licensing agreement and distribution agreement with Generali. And in the last week of this month, once the name change approval comes from the ROC, that we will be ready for launching this with the new name. So, we will have two more joint ventures. One is on the life and another is the non-life. And what we feel that the customer base and also to meet the customer's aspirations, this bouquet of products which is going to be offered, it is not just the income part we are seeing for the Bank, it is the value that is going to be added to the Bank as a whole. That is the much more bigger aspect we are eyeing for. This is on the insurance side.

And I will again come back on any of the questions if you have.

Ashok Ajmera: Sir, on that, will you like to give a fresh, I mean, current position or update on that airline account, sir? What is the status there?

M. V. Rao: Airline account, now there is a favorable decision from that Singapore arbitration that execution has to happen in Delaware. That is the thing that is happening. It is a legal process. It is taking some time for that.

Ashok Ajmera: Some realization from that extra property which you had with Bank of Baroda?

M. V. Rao: Yes, we have published that. That is on the public notice that we have published, SARFEASI notices. I think one or two customers are evaluating, whatever the prospects and bids, we are just waiting for that. Once they give their bid, we can proceed further.

Ashok Ajmera: Sir, one question for this Mukulji that this DTA calculation, the revised calculation you have done of Rs 2,531 crore as against Rs. 4,378 crore last year. So, now, on tax front, when do you think we will be out of it and out of this Rs. 614 crore, how much actual tax are we going to pay? I mean, after taking the benefit of the past carry forward losses?

Vivek Wahi: See, Ajmeraji, we estimate that whatever the DTA on account of business losses, that we should be able to consume entirely by Q4. And in Q4, by taking a small hit of, I mean, actual payment of tax to the tax authorities of say, Rs. 65 crores-Rs. 70 crores roughly, we should be able to move to the new tax regime and in our calculations, next year onwards, it should give us a positive side of roughly around Rs. 900 crores, which will mean that around 9 to 10 bps of my ROA will get impacted, that is by plus side.

Ashok Ajmera: Correct. It will increase.

Vivek Wahi: Yes, so that is our calculation.

Ashok Ajmera: Good. Because you know, it always happens that we want, if we are making a profit, I mean, one side we want to make the higher profit and then give away the benefit of the past, which is

of course a prudent policy. I think profit has to be there. So, from next year, we'll come in the full tax bracket?

Vivek Wahi: Yes, lower tax regime.

Ashok Ajmera: Good and sir this ECL provisioning, which we are making, I mean, you said that the consolidated figures of the provision is now Rs. 1,135 crores, isn't it? Because many of the banks now have stopped worrying about this ECL. I mean, any clarity is there that within the changed circumstances and scenario, you will need this kind of provision for that?

Vivek Wahi: Buffers are always good to have. So, that is why we are still continuing with the requisite provision. If they are not required anytime, we can write it back if the RBI guidelines or RBI doesn't come. Because now we are very comfortable as far as the NPA provisions are concerned at 0.49%. So, we are continuing to build around Rs. 250 crores required for the ECL. So, now this is the fourth straight quarter wherein we have built this provision. So, Rs. 1,000 crores that, plus a lot of my restructured assets are also carrying requisite provision of 15% or 10%, whatever the case may be. So, all in all, it is going to strengthen the balance sheet even more.

Ashok Ajmera: Very good, sir. Last question, sir, a small question. This RBI revised guidelines now recently that taking collateral for that small loan from the Agri Gold collateral. With that, whether our loan strategy for increasing the loan book, Agri loan book and Gold loan book, has it been, the targets are revised there? Are we aggressive on that going to be now, going forward?

M. V. Rao: No, we have not revised our targets at all. We will, our Gold loan portfolio, even last year it was a very handsome growth. So, we will continue, want to continue with our plan, but we have not revised our targets.

Ashok Ajmera: Alright, sir. Thank you very much. So, what are the loan growth targets overall for the FY'26?

M. V. Rao: We are targeting around 14% to 16%. That is what the guidance we have given. So, we will continue with that 14% to 16% we should be able to achieve.

Ashok Ajmera: Very welcome guidance. Good guidance. Thank you very much, sir.

M. V. Rao: Thank you.

Moderator: Thank you. The next question is from the line of Sushil Choksey from Indus Equity Advisors. Please go ahead.

Sushil Choksey: Congratulation to Central Bank of India for excellent result and specifically on two accounts, on a sustainable CASA number on absolute figure and secondly on acquisition of Future Generali. So, first, my question on the foundation by the current team is built very well. How well do we see the tower being built in the year and years to come?

- Vivek Wahi:** See, as far as the internal work which has gone into for all these years, very robust platforms are built, whether it is on the policy side or the product side or the technology platform, and more so on the structures, what the new structures, what we have built in and additional revenue streams, whether it is from the trades off, from the co-lending, these are all the areas which are going to stay. And another thing which I would like to share with you is this year already we have declared further business acceleration as a year of business acceleration. And whatever the numbers that we achieve in March, that we used to cross those numbers around September, October. This time we are crossing the June itself. So, there is acceleration. There is a tremendous amount of traction that is on the field level. That's why if you see the composition of the ramp, which basically happens at the field level, it is at 72% and 28% is the corporate side where much of the role of the central office or higher level comes into picture. So, what we feel that the foundation which is built is very robust and you can have whatever the towers you want to build, that is we have no doubts in that.
- Sushil Choksey:** So, my question related to your reply, co-lending platform where we are seeing a visibility of almost Rs. 2,000 crores per quarter currently. It would be Gold Loan, LAP Loan, MSME, all these products combined, I suppose. How are you seeing that traction being build? Is Rs. 2,000 crore a sustainable number or that number can increase with more partners?
- M. V. Rao:** That number is going to increase because we have further plans for the co-lending. So, that is going to increase at least by Rs. 2,800 crores to Rs. 3,000 crores.
- Sushil Choksey:** Sir, what kind of a blended yield we must be earning on co-lending over our retail direct sale?
- M. V. Rao:** Co-lending we are getting around 9% overall.
- Sushil Choksey:** This is a net to the Bank, I suppose?
- M. V. Rao:** Yes, exactly.
- Sushil Choksey:** Sir, you mentioned about trades platform rollout on a digital, I suppose it would be a digital end-to-end party. What kind of portfolio can we build on those?
- M. V. Rao:** See, in the trade, one good aspect is whatever the bills that are accepted by the corporates that are only we are discounting. That is the trade platform business that what happens. Where we are a little bit choosy in terms of the corporates who are accepting those bills. So, we have our own due diligence mechanism and tenure of 60 to 90 days. So, even at the lower rates, we are competitive because of our pricing power that we have a very decent portfolio. I think this time we have closed by around Rs. 3,200 crore and with a turnover of around Rs. 18,000 crores.
- Sushil Choksey:** Sir, our CASA number at Rs. 2 lakh crores is a fantastic figure from the franchisee and the branches which has worked in the current condition by an absolute number that is sustained and not losing. Percentage wise, we may look on the total balance sheet. But if I look at absolute

number, so any color on that, that we are able to sustain that number. Now we have done a lot of digital spend. We have started so many other products. We are in position to do a lot of cross-sell with insurance company in our foray. What kind of retail penetration can drive incremental support to not only building CASA franchise, but also third party products?

M. V. Rao:

Yes, see, as far as the CASA part is concerned, number one is the reach for customer acquisition. You know that we have brought the BC MAXX model and it is very, very successful. That 25 units are already working. This year we are going for the 250 BC MAXX centers. That is all in the places where we do not have the brick and mortar branches and banking business is growing around 15% to 16% CAGR. So, such type of locations we have selected and this BC MAXX model will be one of the customer touch point for the acquisition of the new customers. That is number one. Number two is, our BC points, which are around 12,800, which will be ramped up to another 1,800 that is around 14,000. And that will also be adding for the customer acquisition. And coming to the products, since the digital channels are stabilized, our omni-channel is already rolled out and which is having almost 200 plus services and we are very happy to share with you almost now 12 lakh new customers are on boarded on to this Cent eeZ app. So, going forward, these new accounts, which are being added on this digital channel, the average balances is around Rs. 27,000. So, this is a very, very good channel, not only for acquiring new customers and also maintaining the good balances that is the wallet of the customers what we are having in these channels is also relatively high when you compare with the customers mobilized through the BC or BC MAXX or this brick and mortar channels. So, these are all the different channels we have and we have the strategies and plans. And in many of the current account balances, where now traction you can see in the next 3 to 6 months, because we are bringing a lot of bouquet of services on the software side. So, we want to capture the entire value chain financing and also the requirements in the current accounts, including the cash management solutions. So, we are very hopeful that CASA is bound to increase from this level onwards, especially on the current account side. And on the FB side, we are focusing to increase the wallet share of the customers because of the digital channels.

Sushil Choksey:

Now, related to all these are two expenses which we have to incur, one is digital yearly expense, including for launching new products, new services and media and secondly, in human resource. So, what will be the number on digital spend and specifically to empower the youth in the Bank as well as for the new generation clients? What kind of HR initiatives and spend we will incur in this year?

M. V. Rao:

See, as far as the HR initiatives, that is for our internal resources, that is already geared up. And then a lot of initiatives we have rolled out and new recruitments are also happened. And this time we have specifically gone for around 2,000 credit officers. That almost that indent is done and then people will get on boarded after a month or so. So, there is a lot of things that are happening on the HR side. There is a slew of measures, when I start saying again, other people will get bored. They may not get the chance of asking their questions. Anyhow, we will be sharing on that. That's a good thing that are happening on the HR side.

- Sushil Choksey:** My last question to Mr. Wahi sir, what's your outlook on treasury for the year?
- Vivek Wahi:** Sir, our outlook continues to be the same which we discussed in the previous quarter. Already 100 basis point is cut and terminal repo by March. I am seeing another 2 cuts of 25 each. So, 5% would be the realistic repo which I am seeing terminally. So, it will be a good year for the treasury, for the Bank. It is a cyclical thing. But hopefully we will encash on that based upon our portfolio.
- Sushil Choksey:** You are expecting G-Sec to be below 6% by year end?
- Vivek Wahi:** Yes, sir. G-Sec will be below 6% by March.
- Sushil Choksey:** Congratulations to the team. Best wishes to the Bank and Mr. Rao specifically. Super performance and super platform created.
- M. V. Rao:** Thank you, sir.
- Moderator:** Thank you. The next question is from the line of Bhavik Shah from InCred Capital. Please go ahead.
- Bhavik Shah:** Hi, sir. Thanks for the opportunity. Sir, recovery from written off is very good this quarter. Any lumpy accounts there?
- Vivek Wahi:** There was one account wherein we got around Rs. 301 crores. But other than that also, there are recoveries in many other accounts. I mean, it is not only from 4, 5, 6 accounts we have been able to do Rs. 600 crores.
- Bhavik Shah:** Okay. So, this Rs. 301 crore account, is it like, understandably, it should be through NCLT, right? So, which sector would it be from?
- Vivek Wahi:** It is a cement account which got resolved.
- Bhavik Shah:** Okay. And sir, I just want to understand this, sir. So, we have seen private banks cutting MCLR rates by 60 basis points and SOE banks are still at 15-20 basis points. I understand it is a formula-driven thing and cost of fund has also come down across industry at a similar pace. So, why are SOE banks holding up MCLR rate cuts?
- Vivek Wahi:** See, MCLR, as you said, it is a formula-driven thing. And deposit rates, if you see, deposit rates have not come down that drastically as the repo cut. So, wherever my advances are repo linked, there the transmission is complete with 100 bps reduction till now. But as far as the other deposit rates and based on that the MCLR cut, because it is purely formula-driven. I mean, nobody can do anything in that.

- Bhavik Shah:** Sir, do you expect MCLR rate cut to accelerate in second quarter? So, by September, as in we should be like 60-70 basis point down on MCLR versus March?
- Vivek Wahi:** 60-70 bps may not be. 10-15, 20 bps max. Again, it depends on the cost of deposits and how low the cost of deposits can go.
- Bhavik Shah:** Understood. Sir, as in if you don't cut MCLR, how do we negotiate with the NBFC? So, do we kind of cut the premium or something on their loans? Because then as in they would BT-out, right?
- Vivek Wahi:** We have seen good traction even in the NBFC. It is just that we have been very choosy as far as the NBFC sector is concerned. We have not budged in the past also. Even now, whatever sanctions we are doing, we are getting a very good rate of interest as far as the NBFC rates are concerned, NBFC accounts are concerned.
- Bhavik Shah:** What is the rate of interest you would be lending at incrementally to NBFC?
- Vivek Wahi:** NBFC, MCLR-based rates and we are getting 9%-9.05% kind of rates even now.
- Bhavik Shah:** Understood. And sir, just wanted to check, how do you see your retiral provisions going ahead? So, it is around Rs. 550 odd crores this quarter versus last quarter. Going forward, do you see similar pace?
- Vivek Wahi:** See, we have taken a consistent stand that we want to make this fund self-sufficient by December 27. And so, whatever extra required over and above the calculation, we are providing it for. And if any opportunity comes, we would further like to give something but this is the minimum that we are going to provide going forward in the Retiral Benefit Department.
- Bhavik Shah:** Okay, understood. And sir, just on the treasury gains, assuming there are no further rate cuts, can you assume like 70% of the treasury gains is booked through the year or difficult to say that?
- Vivek Wahi:** If there is no further rate cut, then I would say majority of the means 70%-80% of the sale of investment gain is already booked.
- Bhavik Shah:** Understood. And sir, last data-keeping question. So, what would be your AFS reserve as on date? AFS reserve, which kind of goes in general reserve network?
- Vivek Wahi:** Rs. 433 crores, not much.
- Bhavik Shah:** Okay. Thank you.
- Moderator:** Thank you. The next question is from the line of Ashok Ajmera from Ajcon Global. Please go ahead.

- Ashok Ajmera:** Thanks for giving this opportunity again. So, mainly on this credit growth of 14%-16%, which we are talking about, while the broad composition may remain same, retail and corporate, SME, etc., where exactly you look the major chunk coming from? I mean, what kind of industry or as per our pipeline, sanctions and other thing? Is it renewable energy or is it some engineering or some other SME companies? So, what is the composition which you expect? And from where this kind of growth is going to come, sir, in this year?
- M. V. Rao:** See, actually, mainly the areas where we are finding the scope is in the data center, logistics, and only one or two manufacturing sectors, not more than that. And much is on the government or government-backed entities, whether it is the NTPC or the IRDA, like that. So, this is the broad composition. And we are not just keeping anything away from our radar. As and when the opportunity appears, and then in our judgment, it appears it is prudent, we are ready to take the call on that. Even LRDs are also coming now, a lot of LRDs. Repricing is happening in the market because of this repo cut. Things are there.
- Ashok Ajmera:** Okay. And sir, one point is on that SRs, now with this, I mean, the valuation being allowed, in this quarter, there was any happening in this SR or asset sale to the asset recovery companies?
- Vivek Wahi:** There was a write-back of around Rs. 2.5 crores, that's all. Okay. In one account, it came roughly around Rs. 30 - Rs. 34 crores also, yes. In one account, it was there.
- Ashok Ajmera:** That is fresh issue of SRs or?
- Vivek Wahi:** Yes, during this quarter, where we were not required to make any provisions on SRs.
- Ashok Ajmera:** Yes. So, 15% must have come in cash and balance in this SRs?
- Vivek Wahi:** Yes.
- Ashok Ajmera:** And they are all NARCL?
- Vivek Wahi:** Yes, NARCL.
- Ashok Ajmera:** NARCL only. And sir, this in treasury book, like, what is our position of the non-SLR investment? And is there any increase and where these investments are mainly?
- Vivek Wahi:** Non-SLR investment, they have not increased really. And if you see from our debenture and bonds, they are mainly to our public sector entities. So, it has not increased, say, it was Rs. 27,000 crore last year. It is now at the same level, Rs. 27,000 crores.
- Ashok Ajmera:** Did we have any exposure on that MTNL?
- Vivek Wahi:** No.

- Ashok Ajmera:** We didn't have anything on that. And sir, I mean, now again, since the IPO market has again picked up, recently last 1-2 months, I think earlier I remember we made good profit in investing into the IPOs and getting out on the listing, making a good profit. Whether the strategy still continues or we are off IPO?
- Vivek Wahi:** We are continuing with that. Wherever we see good listing gains, we are continuing to do investment and that would continue.
- Ashok Ajmera:** All right, sir. Thank you very much. Thank you and all the best.
- Vivek Wahi:** Thank you. The next question is from the line of Bhavik Shah from InCred Capital. Please go ahead.
- Ashok Ajmera:** Sir, just two bits. Sir, firstly, do you see a margin coming off by 20 basis point here on in second quarter?
- Vivek Wahi:** You are saying NIMs?
- Ashok Ajmera:** Yes, NIMs.
- Vivek Wahi:** NIMs, see, we are at 3.16% right now. And as MD sir explained, we are very conscious about our bottomline and the margins also and that is why we took a conscious call that we will not give the corporate loans at sub 6% rates. So, we'll continue to be guided by that. And our guidance is that we'll stay above 3% as far as the NIMs is concerned. And we'll ensure that our NIMs stay above 3%.
- Ashok Ajmera:** Understood. And sir, for a standard account, which is 30 days past due, as if we think that account is going to go delinquent, do we propose OTS schemes to them? Like, can we do an OTS scheme for a substandard standard account?
- Vivek Wahi:** Substandard is okay. But our standard accounts, even if it is just some 30-60 days past due, no OTS is there.
- Ashok Ajmera:** Okay. Understood, sir. That's it from my side. Thank you.
- Moderator:** Thank you. As there no further questions from the participants, I now hand the conference over to the management for closing comments. Over to you, sir.
- M. V. Rao:** Yes. Thank you. Thank you for all the time you have given to us. And then to assure you further going forward, we are going to strengthen further to onboard our customers on our omni channel that is working fine with the new technology platform. And digital lending platform, which is also now operational and a lot of acquisition and then underwriting is happening through the DLP. And then integrated customer care, which is well-established during this year, is going to yield us and also address the customer grievances at speed. And the collection management

system has really yielded well. When you see the slippages, it is 0.35%. It is also adding value to the entire system. And another thing, what DTA part, already our CFO explained that we are going to consume part and then we will be moving to the lower tax regime in the next financial year, that is going to add another 9 to 10 basis points upside for our return on assets. And then you may also have noticed this AGM, which happened just two days before, that apart from dividend for FY 2024-25 for this first quarter also Board have declared our interim dividend. So, we are hopeful of maintaining all these positive tracks and also addressing the customer requirements well in time. Thank you. Thank you for all the time and energy what you have given to us. Thank you.

Moderator:

Thank you. On behalf of Antique Stock Broking Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.