



# “Bank of India Q1 FY-22 Earnings Conference Call”

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**Moderator:** Ladies and gentlemen good day and welcome to Bank of India 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 assistance during the conference call, please signal an operator by pressing '\*' then '0' on your touchtone phone. Please note that this conference is being recorded. We have with us today Shri. A. K. Das – MD and CEO, Shri. P. R. Rajagopal – Executive Director, Shri. Swarup Dasgupta – Executive Director, Shri. M. Karthikeyan – Executive Director, Smt. Monika Kalia – Executive Director and other Top Management team from Bank of India. I would now like to hand the conference over to Shri. A. K. Das, MD and CEO. Thank you and over to you, Sir.

**A. K. Das:** Thank you. Good afternoon ladies and gentlemen, I extend a very warm welcome to each one of you for today's interactive session and share with you the financial results of the bank for Q1 of FY21-22. Q1 of the current year as you all are aware was a period during which the second wave of the COVID-19 pandemic played its havoc which was beyond expectations. The banking sector was no exception to this. Not only our business suffered but our people suffered a lot. Of course, there has been remission in pandemic situation since June. With the vaccination drive in progress the situation will improve further and activities of all the economic segments are likely to rebound again.

During the quarter the business growth in the banking system as you all know remained tilted in favor of deposits with deposits growing by about 9.8% year-on-year and advances by 6.1%. Banks under the guidance of RBI and Government came out with new financial schemes for the healthcare sector in the MSME and corporate sectors as well as personal loan schemes. Also, fresh stimulus package announced by the Government of India and restructuring and other measures announced by the RBI have paved the way for a better and conducive environment for growth.

Coming to the financial results, our bank has bettered its performance during Q1 over the previous quarter that is Q4 of FY21 in several parameters. The operating profit has gone up by 34% to Rs. 2806 crores and net profit gone up by 188% to Rs.

720 crores. Sequentially also NIM has improved to 2.16% from 2.01% in Q4 of FY21. There has been reduction in gross NPAs, both in terms of amount and percentage. Gross NPA ratio has improved to 13.51% from 13.77% in March 2021. Slippage ratio has fallen from 2.05% in Q4 FY21 to 1.09% in Q1 of FY22. Similarly, credit cost has come down from 3.36% to 0.95%. All this augur well for sustainability of better performance in future in terms of profitability and efficiency. In terms of business growth, in line with the industry trend, although advances growth remains lowered. Our RAM advances rose by 11.02% with all the three segments that is Retail, Agri and MSME registering growth of above 10%. Our CASA grew by 13.8% and its share improved to 43.22% from 41.27% in March 2021.

As regards various initiatives, may I bring before you that various IT initiatives including implementation of e-platform, migration to Finacle 10 will be made operational during the current year enabling the bank to have an edge in digital space. Improved IT-based system is also being put in place for enhancing collection efficiency and recovery mechanism. For business growth and improvement in TAT specialized processing centers are already operating in the area of MSME, Retail and Agri fields and depending on the requirement, their numbers will also be further increased. For improving profitability and efficiency parameters we are rationalizing our liability portfolio and augmenting credit growth in RAM segment as well as Mid-corporate segments. We expect business growth of 6% to 7% during the current year with reorientation in liability and asset structure. Along with this, institution of better collection and recovery mechanism will enable us to improve our NIM to at least 2.50% by the end of this financial year. We have already improved our capital adequacy ratio to 15.07% through better management of risk weighted assets and of course, infusion of capital from the Government as also through our AT-1 bonds raised. We will continue to have a capital adequacy ratio which will support higher and profitable growth. I would again thank you for all the continued support and I believe the presentation has been shared with all of you. There may not be a requirement for a detailed presentation. With this I once again thank you and open the floor for discussion. Thank you.

**Moderator:** Thank you very much. Ladies and gentlemen, we will now begin the question-and-answer session. The first question is from the line of Sohail Halai from Antique Stock Broking.

**Sohail Halai:** Just a couple of questions from my side. First in terms of your margins, it's at 2.16% right now. So how do you plan to actually move the margins and secondly would you continue with your strategy in terms of lending to the PSU corporates or you're even moving towards a private corporate lending?

**A.K. Das:** The private corporate we are very open to that. Now only issue there is a lack of any CAPEX demand there. See, last year we sanctioned about 92,000 crores. The off take as expected and as secularly found across the industry, was less. This first quarter also we have sanctioned about 11,000 crores but the disbursements have remained almost at 20% there. It's a function of the credit demand and the activation of the real segments which is still some time away I believe. As regards other segments, RAM segments and Government and Government guaranteed PSU segment, we will continue our foray into that. The same strategy will continue but we are open to more of corporate segments also. I think in the near term at least up to Q2 the chances of ramping up our corporate exposure very significantly looks a little difficult going by the industry trend, but we are not averse to it.

**Sohail Halai:** This actually came in from the understanding as well that your risk weighted assets to overall assets is actually far lower. So probably, in terms of when you are seeing some amount of stability in terms of asset quality, your risk appetite in terms of if you could speak about, do you intend to leverage more in terms of the credit risk so that your margins could also expand because that is fairly low right now, right?

**A.K. Das:** The margins are low for variety of reasons, not alone the one you are mentioning right now. There is a slide in the presentation regarding our loan distribution amongst various rating categories. You will see there that 88% of our portfolio are located in accounts rated A and above plus government guaranteed PSU backed accounts. You are aware that we were the bank which was clamped with PCA. So, we have learnt a hard lesson there. That's why we are also trying to see to it that there is no adverse

selection and our credit underwriting standards are also prudent. This is one aspect. But I believe the major factors for the low NIM was basically two, one is the transmission impact. See last financial year onwards from April 2020 when the Repo cut has been to the extent of 40 basis points, we have passed on about 85 basis points to the customers and MCLR one year I think 60% of our advances are linked to MCLR. The second thing is our revenue stream was falling short of our interest cost, primarily because of very high growth in deposits and low growth in advances. So, one way forward which we are seized of now, is to ramp up the advances numbers. Once the advances number pick up and reach our envisaged level of 6% to 7% at least overall, RAM segments 14%, I think this volume will help us improve our revenue stream and accordingly it will help our margins to improve.

**Sohail Halai:** We are growing fairly well in the retail segment. I assume that will continue. MSME segment would be a little stressful to grow right now, so that's why my pertinent question was are we looking to leverage into the corporate lending as well?

**P R Rajagopal:** One thing you should understand, now you also know that hardly any demand in the corporates today. So, most of them are deleveraging and de-rated corporates are into bond market and they're getting very good rates over there. There is hardly opportunity for us in terms of leveraging in corporate in so far as our credit risk profile is concerned. Basically, what we are looking at as rightly pointed out by you, is we would like to grow in retail substantially. One, we don't have that kind of issues and most of them are typically score based and we get good margins over there. That is one thing. And MSME, one thing I would like to tell you is there is a stress, no doubt but the thing is our market share is very less. If you see banks like State Bank of India and HDFC, their markets are in double digits. We are hardly in single digit. We would like to actually grow at 5, by way of takeover of accounts from other banks. Now, when we talk in terms of takeover accounts from other banks, we are talking in terms of those rated CMR 1, CMR 2 and CMR 3 accounts where we can take over at better rates. Because of the rate passing on that we have done, we have got one of the best competitive RBLR rates

available in the market today. There is inorganic credit growth that I can achieve in MSME. Organic of course it is difficult. So, in that sense my margins would certainly improve. Another thing I would like to point out is, my margins have substantially come down because of my international book which has squeezed my margins to a great extent because of the global interest rate scenarios. So, once it picks up, once the Fed starts picking up all these rates of interest will go up then my margins at international segment book will also improve. Accordingly, my NIM would actually grow on that basis.

**Sohail Halai:** The other question related to is, our cost of funds has actually come down and probably with liquidity being there in the banks for us right now, we would look at a prolonged cost of fund being low. So, for 6 to 12 months, we would not be hiking the rates in the term deposits any sharply. We are looking for a cost of funds that would continue to remain low for a longer period of time.

**P R Rajagopal:** For two reasons cost of fund would remain low. Number one is, actually we have shed bulk very aggressively. Two, we are already giving a very fine interest rates which is even less than the reverse repo in so far as the bulk rates are concerned. There will not be any term deposit as such, instead what we grow would be retail term deposit and CASA aggressively. So, naturally the cost of funds will remain low for quite some time to come going forward.

**Sohail Halai:** Final question from my side if you could just quantify the overall restructured book.

**M Karthikeyan:** Overall restructured book for the Bank is 33,147 crores in terms of the numbers of first COVID restructuring and second COVID restructuring. First COVID restructuring was to the extent of 7,714 crores and the second restructuring as on Q1 it was 5,299 crores. But one thing you should notice is even though the first COVID 7,714 crores was restructured, our borrowers were able to pay back. That means there is a good resilience available among our borrowers and the present outstanding is 5,963 crores only and there is a good traction of recovery in the restructured book as well.

- Sohail Halai:** No, I actually did not understand this because of your slide #44, in that you have given Resolution Framework 1.0 which is about 6,000 crores, Resolution Framework 2.0, which is about 5,300 crores and one-time restructuring about 7,300 odd crores. These all together put are 18,000 crores, right?
- M Karthikeyan:** Yes, that's correct.
- Sohail Halai:** I should take this as overall restructuring. So, I did not understand in terms of 33,000 crores number that you actually mentioned?
- M Karthikeyan:** I was mentioning about Standard Restructured assets of 18,471 crores.
- Sohail Halai:** So standard restructured is 18,471 crores, right?
- M Karthikeyan:** Yes, exactly.
- Moderator:** The next question is from the line of Suraj Das from B&K Securities.
- Suraj Das:** First question is on the follow-up of the last question. Your total restructure book would be COVID-1 plus COVID-2 plus the standard restructuring book?
- P R Rajagopal:** Yes, standard restructure. COVID-1, COVID-2 and OTR put together is called standard restructure.
- Suraj Das:** It would be 18,471 crores.
- P R Rajagopal:** Yes.
- Suraj Das:** The upgrade in this quarter has been healthy around 2,000 crores. So, does this include one-off large accounts, couple of large accounts or is this over a granular account?
- M.Karthikeyan:** Yes, it is definitely including the one-off large accounts but nevertheless that is about 65%, the rest of 35% came from regular upgradation.

**Suraj Das:** On the recovery side, so what is the recovery pipeline that you are expecting in this couple of coming quarters or for the full year?

**M.Karthikeyan:** The gross NPA presently, it has improved from 13.77% to 13.51% which you are aware, the slide is there with you. Going forward also if you see the fresh slippages. the fresh slippages presently net is 3,942 crores but overall if you analyze that, the total fresh slippages were around 8,216 crores but the net slippage is only 3,942 crores that means there is a good recovery happening in those accounts which have been slipped also. Going forward also we will have a very good recovery numbers to improve by 3% to 4% per point for Q2. That is our guidance. Around 5,000 crores. Our projection for this year recovery is total 10,500 crores. So far, we have done around 4,000 crores. Now, we will be targeting further to achieve 10,500 crores.

**Suraj Das:** Do you have any other restructuring in pipeline as of now or these 18,471 crores is kind of the total restructuring that you can take?

**M Karthikeyan:** We can assure you that none of our eligible customers are left untouched. All of them are being covered. Yes, there is another 2 months down the line, the regulators dispensation is available up to September 2021. So we will take whatever eligible accounts comes in our way and we will not let our customers suffer on account of non-restructuring.

**Suraj Das:** Any ballpark number for the pipeline restructuring?

**P R Rajagopal:** There are certain eligible accounts. Now the point is restructuring is basically a function of customer coming forward and seeking restructuring. Initially the restructuring demand was a little higher but now it has been tepid in the last one quarter. We feel that it will continue to be tepid. Therefore, it is very difficult for us to point out the number and amount of restructuring ballpark and it will also be dependent on how the third wave come about. It is very difficult for us to predict a number now.

**Moderator:** The next question is from the line of Ashok Ajmera from Ajcon Global.



**Ashok Ajmera:** I was in the line, in fact there was earlier the PNB meet was also there. There was a overlapping, we came little late. Compliments to you for a very good set of numbers, a good profit of 720 crores. Initial stage I was not there in this meeting. Maybe my question might be overlapping with some of the questions you might have answered. I would like to know about the sanctions pipeline because on the advances growth only the future will depend. What is our sanction pipeline for this year, as on today?

**Swarup Dasgupta:** This year in working capital limits that means overdraft limit and CC, we are having around 30% unutilized limit. Over and above, we are having a current sanction of around 18,000 crores for four months since April 2021. Out of this, in July, we have sanctioned 7,675 crores in eleven accounts. Further, the sanctions are there but drawdown is not taking place.

**Ashok Ajmera:** If the way the things are looking and if the economy picks up in the second quarter, third wave do not disturb us, in that case we can think of some good credit growth?

**Swarup Dasgupta:** Yes.

**Ashok Ajmera:** What could be your target for the credit growth but for all these things if we don't affect the third wave or something, this year?

**Swarup Dasgupta:** 6% to 7%.

**Ashok Ajmera:** Effectively about 9% to 10% will be required in next three quarters?

**Swarup Dasgupta:** Yes.

**Ashok Ajmera:** Provision of 900 crores in note number 9. Of those 6 stressed accounts what is the total outstanding in those accounts, which could not be resolved in 180 days-365 days.

**P R Rajagopal:** Yes, we are aware of that. 2,573 crores, Ashok ji.

**Ashok Ajmera:** In total outstanding?

**P R Rajagopal:** Yes.

**Ashok Ajmera:** The treasury has performed again very well and we have got a very handsome treasury operations 2,347 crores of the income, if you look at the segment wise this thing. What is our view for the future next three quarters on the treasury side because this is going to be the main component so far it has been? How do we look at the future? And my second question with the treasury is that this HTM to AFS transfer of 8,109 crores which had a book value of 7,495 crores. This 600 crores book value to transfer value, what is the impact was that on the profit of the bank of this quarter?

**Harikishan:** The total non-interest income was 2,377 crores of which there is one account wherein we had a capital gain of 407 crores on account of redemption of SR, that is Security Receipt. If we exclude that, the other income continues to be robust. So far as guidance for the next quarter is concerned, there is definitely going to be some amount of moderation in the gains from sale of investment, so also from exchange transactions. But resighting this moderation would be offset by increase in interest income. You would understand there is always a trade-off between the interest income and the income from sale of securities. When the interest rates are going up, the interest income goes up and your ability to profits and make capital gains from the sale of securities reduces. Any way there will be moderation of around 200 crores in the next quarter is that what we see.

**Ashok Ajmera:** I have two small observation, notes to account #22, a penalty of 4 crores has been levied on the Bank. Generally, the reasons are given, in this there is no reason. This just says that the RBI during the quarter has levied a penalty of 4 crores. What was it actually and whether it is a recurring nature or it is a one-off kind of a penalty?

**A. K. Das:** This is a one-off kind of penalty due to three reasons. One is a delayed reporting of a fraud account and second is some KYC issue in small accounts and third one is transfer to DEAF account, delay. Delay in transfer of dormant deposits to DEAF account. Again, that was a one-off case. There is no question of any recurrence. These are the reasons for which the penalty was imposed.

- Ashok Ajmera:** The bank has taken note of it and has set up something?
- A.K. Das:** Yes, that's what this was a one-off case so we have taken steps now, so as not to happen any kind of a recurrence of this.
- Ashok Ajmera:** In this PSLC, we paid 46 crores to buy the agriculture portfolio of 2,000 crores. A bank like Bank of India why it is falling short of the basic minimum requirement of the loan composition especially the agriculture loan or this kind of things? I mean are we not in a position to penetrate little more inside and get the agriculture loan portfolio to the top to the limit rather than paying the 46 crores just simply the premium?
- Swarup Dasgupta:** No, it's not like that. We are now very aggressive in all core sectors of agriculture and also in gold loan segment. We have also activated our SKVK so as to fructify positive results the way we want because it's always, if you see quarter-on-quarter, there is a shortage of 0.50%-1.00%. That gap will be filled up by these measures we have already taken and coming quarters, this type of aberration will be minimal.
- Ashok Ajmera:** This Delhi Metro, out of these 222 crores of outstanding, 124.62 crores is provided. What is the composition of principle and interest in this?
- P R Rajagopal:** Interest is not provided for Delhi Metro. There's only principle it is provided.
- Ashok Ajmera:** No, this 222 crores, is the total principle?
- P R Rajagopal:** It is total principle because basically the only asset classification has not happened Ashok ji otherwise there is no interest accrual in that, there is no interest booking.
- Ashok Ajmera:** But if you look at the other banks I mean if the interest income was booked earlier...
- P R Rajagopal:** Not anymore, it got reversed in that. There is nothing left in that.
- Ashok Ajmera:** Only about 98 crores is remaining to be provided on that in case anything comes up against this.

- P R Rajagopal:** Yes.
- Moderator:** We take the next question from the line of Bunty Chawla from IDBI Capital.
- Bunty Chawla:** If you can share the collection efficiency. How it has been for you for April-May-June-July?
- S.S. Dash:** Collection efficiency for sector wise or the month wise? Month wise in the month of April it is 94.90%, in month of May it is 93.67%, June it is 94.77%. On an average, it is 94.55%.
- Bunty Chawla:** Can you share how the restructure assets are, collection efficiency in the restructured is happening?
- P R Rajagopal:** Restructure assets, most of them are under moratorium. Naturally there is hardly any collection over there in those restructured assets because most of them enjoy payment holidays.
- Bunty Chawla:** Can you share what is the restructured plan we have done with the borrowers? How much is a moratorium?
- P R Rajagopal:** It reaches between 6 months to 2 years. In the range of 6 months to 2 years.
- Bunty Chawla:** If you can share the data on ECLGS scheme how much we have disbursed till Q1 FY22?
- A.K. Das:** ECLGS 1.0 we have disbursed about 4900, take it 5000 and ECLGS 2.0 we have disbursed 500 crores.
- Bunty Chawla:** Anything on 3.0 and 4.0?
- A.K. Das:** 3.0 and 4.0 just made a beginning.
- Bunty Chawla:** If you can share any guidance if it is possible, what will be the slippage ratio in FY22, if we don't consider the third wave impact and second wave is almost out of the picture for us now. If you can share any guidance on that?
- M.Karthikeyan:** Slippage ratio has come down from 2.05 to 1.09. That is a very good sign that the recoveries are happening. And going forward

also, if third COVID wave is not there, we are aiming to bring it down to 1. I don't think there will be any problem because if you see the fresh slippages also, we have total numbers that slipped is at the level of 8,216 crores but the net slippages are only 3,942 crores. The slippages ratio, which was in the range of 4.81 on 31/03/2020 has now come down to 1.09 and maintaining this 1 point itself is a very tough call. There's been good response from our borrowers in terms of recovery. That's what we wanted to make a point.

**Bunty Chawla:** Lastly you have shared this sheet on NCLT. There is an approximately 38,000 crores of outstanding. In Q1 we have been able to reduce these accounts by 147 crores of reduction. Any ballpark number for FY22, we can have a reduction or recovery from these accounts, NCLT part?

**M. Karthikeyan:** We are having a ballpark number of around 150 to 200 crores, that's what our numbers are.

**A.K. Das:** You are asking for the second quarter or for the rest of the financial year?

**Bunty Chawla:** For full year FY22.

**M.Karthikeyan:** Around 2,000 crores that's the inclusive of you know the bigger accounts. There are some couple of bigger accounts, if that materializes of 2000 crores will be definitely made possible.

**Moderator:** The next question is from the line of Jay Mundra from B&K Securities.

**Jay Mundra:** First is on the SMA-0-1-2 that you have reported. If you can also include the below 5 crores number, what would that figure be? I mean SMA-2, SMA-1, SMA-0?

**A.K. Das:** 33,144 crores. SMA-0-1-2 below and above 5 crores which translates to about 7.96% of our Gross Advances.

**Jay Mundra:** I missed that and because I joined a little bit late but have you mentioned the 0-1-2 separately including everything?

**M.Karthikeyan:** Total SMA-0 will be in the range of 8,158 and SMA-1 will be 8,449 as of 30/06/2021 and SMA-2 is 16,537, total all put together is 33,144 which has come down from 51,720 which you are well aware during 31/03/2021.

**Jay Mundra:** Now out of this SMA-2 specifically, the above 5 crores number is very manageable but it looks like that the stress is more than in below 5 crores and hence the number is huge and probably you would have little bit, little less monitoring right because this would be like thousands of accounts. Any sense on how that slippage as you mentioned that you will try to control it at around 1% but would this be the major pain area, which could actually slip going ahead or how should one look at this number SMA-2 which is mainly from below 5 crores number?

**M.Karthikeyan:** As you rightly said, see if you take the December results it was 83,722 crores. From 83,722 crores, the SMA level has come down to 52,165 crores for March and now it stands at 33,144 crores so this deceleration is happening. Yes, you rightly said the number is more in the terms of below 5 crores but we are using technology for that process and contacting the borrowers and counseling them that these slippages and irregularities should be avoided. The borrowers responded well. So, vernacular messages are being sent to them periodically and our follow up from the AMO's, who are Area Managers and the Branch Managers has been very good because the data which is being provided to them on a daily basis is well taken by the field and follow-up is more close. We are anticipating a lesser pain in that segment.

**A.K. Das:** I can just sum up in one line the worst is well behind us. Now, having come down so significantly from a very high number there will be only upside in the right sense. We can only improve from this.

**Jay Mundra:** Point taken; I mean of course from 80000 to 33000 is by no means is a small reduction. Second question is on your upgrade so the retail accounts would have upgraded. I just wanted to check what happens to the bond exposure. They will not be any movement there because the loan only has been restructured.

- P R Rajagopal:** Bond is also restructured.
- Jay Mundra:** And then bond will I mean there would not be change in the rating or the provisioning or it will not come in the movement of NPA anyway because it's bond?
- Harikishan:** Yes. There is a certain amount of provision that is being held against the certain stressed assets and there would be a mark to market provision also.
- Jay Mundra:** If you can provide some guidance on the credit cost for full year FY22 because it looks like the credit cost for this quarter is around 800-900 crores and then you will put some standard assets provisioning, but how should one look at for full year credit cost in Rupees crores?
- P R Rajagopal:** It is not going to increase any further. One thing you know very well the credit cost is basically a function of incremental provisions. Now, we are not looking at huge provisions going forward which is again a function of these slippages. If slippages continue to be at the level that we envisage without taking into consideration the third wave and naturally credit cost also continue to be at the same level. The calculations may get hampered by a third wave except that there is nothing that we are really worried about the credit cost, so throughout the year it will be one.
- Jay Mundra:** What could be the ageing provision only ageing provision required for FY22 assuming no meaningful recovery. What could be the, let us say, outer limit for provisioning for full year FY-22?
- P R Rajagopal:** On average of about 1,200 crores is something the whole year annual basis. So that'll not be more than that. Because again the ageing provision, most of it in the amount of doubtful one and two are very less now. Most of it is in first time bucket because of the COVID impact.
- Jay Mundra:** And last two questions. One is again on slippages I think someone mentioned that the slippages at the peak was 8000+ crores and it has come down to 3,900 crores which is what you have reported. So just to clarify this was 8,200 crores was in April-

May. Which have come down as you would have recovered is that the understanding?

**M.Karthikeyan:** Exactly the total slippage which is say 3,942 is the net slippages which you are seeing at the balance-sheet level. But actual slippages are 8,216 of which we have recovered around 57% of that in this quarter itself. That means there is a good recovery happening in that context. That's what we wanted to mention that.

**Jay Mundra:** Yes, it is clear it's just that I could not understand that if you recover an account within the quarter, it should ideally be there in both slippages as well as recovery or upgrade or you can put it net figure also.

**P R Rajagopal:** There are two ways you represent the numbers. One is the gross slippages and gross upgrades. Another is the net slippages and net upgrade, so across the industry except some few banks most of them represent as net slippages and net upgrades.

**A.K. Das:** It is very pertinent to mention that these numbers which are quite good going by the situation now prevalent. These are after introducing daily marking of NPA from 15th of April this year. Earlier NPA marking was being done at month end, so in the month end certain accounts used to breach 90 days or so but from April 15th of this year we have started the marking NPA on a daily real-time basis. Plus, from 30<sup>th</sup> June we have completely automated the IRAC accounting. So going in that context I think these are good numbers which we will try to consolidate further.

**Jay Mundra:** Last thing if I may ask this a slightly detailed one on restructuring, sorry to come back on restructuring again. Your BSE disclosure says that number is some 8,000 crores but the PPT says that the number has come down to 6,000 crores. So that is the same number, right? I mean it just that people got restructured but they reduced their balance, is that the understanding?

**P R Rajagopal:** Yes.

**Jay Mundra:** And now on restructuring if I were to total, I think you had mentioned that if I want to understand the outstanding standard restructured, I could total 6000+5299 and 7300 onetime



restructuring. This would include your MSME scheme also which was some odd 4,000 crores number.

**P R Rajagopal:** Yes. 2.0 includes MSME and retail also. COVID 2 includes retail also.

**Jay Mundhra:** And even earlier scheme wherein Air India was restructured, so everything is there in this number?

**P R Rajagopal:** Air India, yes.

**M.Karthikeyan:** 18,471 crores is the total Standard Restructuring. Including NPA restructured accounts it is 31,318 crores.

**Jay Mundhra:** This is standard number 31,000 crores?

**M.Karthikeyan:** That is total restructured book. Total Standard Restructuring is 18,471 crores.

**Jay Mundhra:** But that will not include your CDR restructuring which was let us say one year back that number I mean the earlier CDR scheme?

**P R Rajagopal:** No. Standard Restructuring it will not come but in total restructuring it includes everything.

**Jay Mundhra:** So that number is 31,000 crores is Standard only, it will not include NPA?

**P R Rajagopal:** No, it will include NPA also. That's what we are trying to tell you.

**M.Karthikeyan:** 18,471 crores is standard restructuring. Total restructuring is 31,318 crores, it will include NPA also.

**Jay Mundhra:** Actually, I wanted to know the outstanding standard restructuring including the previous schemes also?

**M.Karthikeyan:** 18,471 crores.

**Moderator:** The next question is from the line of Ashok Ajmera from Ajcon Global.

- Ashok Ajmera:** Could you give any update on NARCL the bad bank, what is the status of those accounts which we have identified and what is the progress there?
- M.Karthikeyan:** There are around 12 accounts we have intended to hive off to NARCL involving 3,530 crores.
- Ashok Ajmera:** 3,530 crores is the outstanding amount of the 12-loan account?
- M.Karthikeyan:** Yes.
- Ashok Ajmera:** So very small amount I mean the valuation might come maybe about 400-500 crores kind of thing?
- A.K. Das:** Looks like that.
- Ashok Ajmera:** So, we might get some small amount of cash. So nothing more on that?
- A.K. Das:** Cleanup of the Balance Sheet is a major thing.
- Ashok Ajmera:** Yes, whole objective is that only. But when do you think this first lot will be by in this July-September quarter it will happen?
- A.K. Das:** No, I think it may spill over to the next quarter. Q3 onwards only.
- Ashok Ajmera:** In all, our numbers which we are giving of this future thing, we are considering the 3530 crores of drop.
- A.K. Das:** Yes.
- Ashok Ajmera:** Coming back to this because I was in between we were logged out or something like, this up-gradation of 2,057 crores what is the composition of it? I mean how much is restructured and how much are actually regularized or became standard.
- M.Karthikeyan:** OTR is around 65% and around 35% will be regular upgrades.
- Ashok Ajmera:** Coming again to this credit growth, can we have a little more clarity like you said that unused working capital limit is 30% and then there are sanctions of 18,000 crores. Can we get some little more finer points of this corporate loans, credits, the working

capital for MSME or sub-segment wise something so that we can draw some kind of a conclusion of something that how much at least are we growing and which are the segment where we are growing?

**A.K. Das:** There are two things one is corporate, the other one is non-corporate and of course government and PSU backed entities. So, our corporates, as Mr. Dasgupta told, still the drawdown is an issue, not only for us but for the entire industry that's an issue. What will be our endeavor is to grow as much as possible under RAM segment where we are envisaging a growth of about 14%. Currently we are trading 11% YOY, so that is one aspect there. Second is new segments where we'll be growing. For example, pharma sector. Under our Star Care, we have already done about 700 crores. We are planning to build a COVID loan book of about 6,000 crores during this current year. We have made some progress I think still discussions are on. That is the healthcare and pharma is the one segment and renewable energy though very selectively, we are going to renewable energy. NBFCs, we are very selective again because we are having exposures which are near to the ceiling. Now you're seeing PMI index moving up, I believe things may come back to normalcy maybe from October onwards. So, we are getting ready for that and the very fact that we are built up adequate capital buffers so that there won't be any kind of roadblocks when we want to expand. But yes, our diligence will continue to be very careful and taking below entry level strict no go and we'll be going for high rated accounts. Overall, 6% to 7% growth at the moment is what we envisage.

**Ashok Ajmera:** Any thinking on this a major co-lending kind of a thing where we can expand the book very rapidly?

**A.K. Das:** Yes, we are in talks with one or two entities. I think by this quarter we'll be able to come to conclusions.

**Ashok Ajmera:** Are we also getting into some kind of gold loan also for co-lending or only the MSME?

**A.K. Das:** Gold loan not yet. Gold loan we are on our own, we are doing well there. Basically, in the priority sector only we are looking at.

**Moderator:** Thank you. As there are no further questions, I would like to hand the conference over to Shri. A. K. Das for the closing comments.

**A. K. Das:** So once again from entire team of Bank of India a big thanks to all the analyst friends for interacting in depth on various issues and as assured in the beginning that we are on a good track now. We will try to move much faster and we will try to take whatever odds come our way. So going forward, coming quarter, what we started from Q1 you will definitely see further consolidation in that. Once again thanks a lot to all of you.

**Moderator:** Thank you. On behalf of Bank of India, I announce that this conference call concludes. Thank you for joining us and you may now disconnect your lines.