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Dear Sir/Madam,

Sub : Transcripts of Bank's conference call with the Analysts

We submit herewith transcripts of conference call held with the Analysts on 6th November 2020 on Bank's Reviewed Financial Results for the Second quarter & Half Year ended 30th September 2020.

Please take the above on your record.

Thanking you,

Yours faithfully,

For CENTRAL BANK OF INDIA




ANAND KUMAR DAS
DEPUTY GENERAL MANAGER /
COMPANY SECRETARY

Thank You
for being with us in our ten-year journey



Conference Name: Central Bank of India Q2 FY21 Results Conference Call
Time: November 06 , 2020 17:00 Hrs India Time
Main Speaker(s): Management Of Central Bank of India

Total 29 Participants including the Speakers.

Participants List

Sr. No.	Name	Phone	Company
1	HOST:Management	66387590	Central Bank of India
2	HOST:Sohail Halai	9820876839	Antique Stock Broking Ltd
3	Akash Jain	9820246922	Ajcon Global Services Limited
4	Amit Mishra	919920493408	Indus Equity
5	Amrit Kaur	919560471177	Axis Bank
6	Anirvan Sarkar	8291216781	Principal AMC
7	Ashok Ajmera	919930320115	Ajcon Global Services LTD
8	Aspi Bhesania	918291106617	AB & Co
9	Karan Gupta	919920080710	India Ratings & Research
10	Keshav Kanoria	919819789733	ITI Capital
11	Mahrukh Adajania	919820295886	Elara
12	Mayank	0007329977750	Citigroup
13	Nitin Bansal	919889666692	Tata AIA Life
14	Prabal Gandhi	8109870105	Antique Stock broking
15	Praful Kumar Dave	8884455561	Brickwork Ratings India Private Limited
16	Prithvish Uppal	919899900146	Dolat capital
17	Rahul Nair	919567589629	SBI Mutual Fund
18	Rebecca	919738221773	bloomberg
19	Richa	919699347755	Individual Investor
20	Riddhi Mehta	919324472329	Prabhudas Liladher
21	Rupali Zade	919324495841	ResearchBytes
22	Sam Roy	2406135003	Real Team
23	Samiksha Karnavat	918237744184	ICRA Ltd
24	Sneha Ganatra	9833825108	Subhkam Ventures
25	SriKarthik Velamakanni	919326450575	Investec
26	Sushll Choksey	9664114765	Indus Equity Advisors pvt ltd
27	Suyash Rane	919819289931	Individual Investor
28	Vipul	919833723958	Aries Financial Advisors



**“Central Bank of India Q2 of FY’21 Earnings
Conference Call”
November 6th, 2020**



MANAGEMENT: **MR. PALLAV MOHAPATRA – MANAGING DIRECTOR & CHIEF
EXECUTIVE OFFICER, CENTRAL BANK OF INDIA**
**MR. ALOK SRIVASTAVA, EXECUTIVE DIRECTOR, CENTRAL
BANK OF INDIA**
**MR. MUKUL N. DANDIGE, CHIEF FINANCIAL OFFICER,
CENTRAL BANK OF INDIA**

MODERATOR: **MR. SOHAIL HALAI, ANTIQUE STOCK BROKING**

- Moderator:** Ladies and gentlemen, good day and welcome to the Central Bank of India Q2 FY'21 earnings conference call hosted by Antique Stock Broking. 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. If you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference call is being recorded. I now hand the conference over to Mr. Sohail Hallai from Antique Stock Broking. Thank you.
- Sohail Halai:** Thank you. Good Evening everyone on behalf of Antique Stock Broking. I welcome you on to Central Bank of India Q2 FY'21 earnings conference call and special thanks to Mr. Pallav Mohapatra and Central Bank of India's management team for giving us this opportunity to host the call. Today we have with us, Mr. Pallav Mohapatra, Managing Director and Chief Executive Officer, Mr. Alok Srivastava Executive Director and Mr. Mukul Dandige, CFO, along with other senior members from the management team to give us insights about the performance of the bank and its future outlook. Without further delay. I now handover the call to Mr. Pallav Mohapatra for his opening remarks. Over to you, Sir.
- Pallav Mohapatra:** Thank you, Mr. Sohail and Good Evening to all, who are on the call today. I will start with the highlights of the Q2 FY'21 result and then I will take you to some initiatives, which we have implemented during the second quarter of current financial year and on the qualitative aspect and then I will open up for the questions by the participants on this conference call. The bank has earned a net profit of ₹ 161 crore as against ₹ 134 crore showing a YoY growth of 20.15%. Operating profit of the bank has grown by 42.11% on YoY basis and improved to ₹ 1,458 crore. Our Bank has crossed total business of over ₹ 5 lakhs crore figure for the first time in the history of the Bank at ₹ 5,00,737 crore. Our CASA share in total deposits has improved from 45.82% to 47.72% in Q2 FY21. The Provision Coverage Ratio has also improved from 76.88% to 82.24% on YoY basis. Gross NPA has come down from 19.89% to 17.36% on YoY basis. During this current financial year, we have not done any technical write off and reduction is on account of upgradation and cash recovery. Net NPA has come down from 7.90% to 5.60% on YoY basis. Our Retail, Agriculture and MSME advances stood at 63.94% with one percentage improvement from Sept 2019 in RAM. We are expecting good growth in RAM especially in retail by looking at the potential, scope, pricing and restructuring in products. The cost of deposits reduced from 5.18% to 4.45% on YoY basis. The Net Interest

Margin(NIM) has improved from 2.82% to 3.35%. Most of the participants are aware that we are offering best MCLR and RBLR based rates and despite that NIM has improved on account of our strong base of CASA franchise. Operating profit of the Bank improved to ₹ 1,458 crore in Q2 FY21. Total income of the Bank improved to ₹ 6,833 crore as compared to ₹ 6,704 crore for Q2 FY20. The cost to income ratio has improved from 62.07 % to 53.48% on YoY basis and we aim to bring this below 50% by the end of this financial year. Business per employee in terms of deposits and advances have improved from ₹ 13.60 crore to ₹ 15.42 crore.

Retail loans showed a growth at 14.12% and stood at ₹ 46,887 crores compared to ₹ 41,084 crores on YoY basis and representing 26.45% of total gross loan portfolio of the Bank.

On qualitative aspect, some major initiatives have been taken by the bank e.g. Project DISHA, EFRMS, LLMS etc. These initiatives meant to promote technological, human resource as well as business development platforms of the Bank. Project Disha is an analytics based business transformational program which is having focus on retail, agriculture & MSME credit and fee based income through CASA for propelling business growth and to invent the business process for better efficiency and sustainability.

The other initiative is Single Data Repository which is a revamped data warehousing to provide information and reports across the bank being a single point of truth along with repository for analytics driven business decisions. This will help all users in decision making across the bank. Another initiative is opening of 50 MSME processing hubs at identified locations after getting approval from RBI. Last year we had opened 49 CCPBs for centralised processing of retail proposals along with 20 agriculture loan processing centre. Our objective behind these initiatives is to use specialisation of Human Resources, improvement in quality of credit processing and make branch available for marketing. We have also undertaken several HR initiatives and projects for aligning HR systems, structures, processes, policies and practices with strategic goal. We are improving existing performance management systems to have business outcome focused performance appraisals. Also we have introduced HR audits in zones to assess, appraise and monitor our HR officers.

In other technological initiatives, we have moved from our old loan origination system to Loan Life Cycle Management System (LLMS) which will have credit origination, monitoring and various API interface

to improve credit underwriting, turnaround time and monitoring including Early Warning Signals (EWS). It will have facility of online tracking of loan applications.

The other initiative is Enterprise wide Fraud Risk Management Solution (EFRMS) which is a fraud detection, monitoring and prevention solution that monitors suspicious patterns across transactions, events, users, accounts, systems on real time basis. We are expecting implementation of EFRMS in Q4 of current financial year.

These are key initiatives among various new initiatives taken by the bank.

These are my opening remarks and now I am open for questions.

Moderator : Thank you. Reminder to the participants. Anyone who wishes to ask a question may press "*" and "1" at this time, the next question is from the line of Miss Mahrukh Adajania from Elara Capital. Please go ahead.

Mahrukh Adajania : Good Evening Sir. What is the extent of restructuring Bank is expecting and the number of proposals the Bank has received so far?

Pallav Mohapatra: One Time Restructuring is RBI's scheme of restructuring in which account will not be downgraded after restructuring. As per RBI circular, we have assessed the eligible corporate accounts at ₹ 7500 crore, however we have received very few proposals. It is observed that borrowers are less interested in the scheme as indicated from low inflow of proposals. For this purpose we have created a portal in which borrower can apply for restructuring. For personal loans last date of restructuring is 31st December 2020 and for MSME and corporates last date is 31st March 2021.

Looking to the loan applications received, we may presume that people are not interested in the scheme. One reason is maybe that, after restructuring their loan will be reported as restructured to Credit Information Companies and it may impact their credit scores. Corporates which have no option left but to avail the scheme will come forward for availment. So far the number of application in sole banking and consortium are very low.

Mahrukh Adajania: What is the status of ₹ 7500 crore corporate loans eligible for one time restructuring as quoted in your reply and among these how much are consortium accounts?

Pallav Mohapatra: As informed, these are our internally assessed figures as per eligibility norms prescribed by Reserve Bank of India in its circular and include all categories i.e. sole banking, multiple banking and consortium accounts, however number of applications is very low. With regard to consortium

accounts inter creditor agreement will be signed only after restructuring invoked by the company.

Mahrukh Adajania: There is Government's ex-gratia scheme about refund of difference of compound interest and simple interest charged for moratorium period. Does borrower need to apply for such refund ?

Pallav Mohapatra: On account of ex-gratia scheme, it is automatic and to be completed by us only. Refund exercise of ex-gratia payment is completed at our end. Bank has paid approx. ₹ 40 crore in the scheme and the same will be reimbursed by Government of India. We have to submit statutory auditor's certificate of payment to State Bank of India which is nodal bank appointed by Government of India. This will be reimbursed by 15th of December 2020.

Mahrukh Adajania: Kindly give guidance on increase on credit cost during the Sept quarter.

Pallav Mohapatra: Credit cost of the bank has increased from 1.16% as of June 20 to 1.98% as of September 2020. This increase is on account of increase in net additional provisioning of ₹ 856 crore against previous quarter figure of ₹ 496 crore. It may also be noted that this increase is on account of gross NPA provisioning increase from ₹ 691 crore of Q1FY21 to ₹ 1555 crore of Q2FY21. Out of ₹ 1555 crore provision, ageing provision is ₹ 1191 crore out of which ₹ 801 crore is due to shifting of accounts from doubtful asset 2 to doubtful assets 3 category. In spite of this, due to cash recovery and upgradation, provision of ₹ 699 crore in Q2 against ₹ 195 crore in Q1, was written back.

Moderator: Thank you. The next question is from the line of Mr. Anirvan Sarkar from Principal AMC, please go ahead.

Anirvan Sarkar: What about future strategy of bank for net interest margin and is there any asset mix change proposed?

Pallav Mohapatra: Net Interest Margin increased from 2.82% to 3.35% on YoY basis due to lower cost of funds. Our Bank's objective is to increase net interest margin by lowering cost of funds. Our cost of deposit has sharply reduced mainly due to CASA deposits. We will also maintain the same in remaining quarters of this financial year. Our strategy is to increase advances in better rated accounts and conserve capital. We will change our asset mix according to requirements in view to reduce the risk weight along with objective of net interest margin optimization.

Anirvan Sarkar: What about long term target in advances?

Pallav Mohapatra: For current financial year, we are expecting 8.92% growth in advances and 8.50% growth in deposits. Major growth in advances will be in retail by 11.71%, in MSME by 13.17% and in agriculture by 7.83%. We have proposed higher growth in MSME segment due to ECGLS scheme in which guarantee is given by the government. In retail, our Bank wants to mainly increase lending in Housing loan and Gold loan segment. During this financial year, we had run Monsoon Retail Campaign in which we had performed well and expecting 1.5 times more business in the current Retail Mahotsav Campaign vis-a-vis the Monsoon Retail Campaign. In case of Agriculture advances, we are shifting our focus from Kisan Credit Card to Agri Term Loan which was announced as a part of Atmanirbhar Bharat and in which CGTMSE cover is extended. This will also help us in capital conservation. We are also focusing on agriculture warehousing and farmer produce organisation.

Anirvan Sarkar: Can you elaborate about customer paying capacity while opting moratorium e.g. if any customer opted moratorium and paid 2 months instalments and then stopped paying, however his account will remain standard as per moratorium guidelines. Kindly comment.

Pallav Mohapatra: In case if any borrower opts moratorium and pays 2 months instalments then moratorium will be considered for four months only.

Anirvan Sarkar: What if borrower requests for moratorium of 6 months considering 2 months advance payment of instalments after 6 months?

Pallav Mohapatra: So far such kind of case has not been observed. However, looking to the genuineness of the customers need the same can be considered. Moratorium of instalment is better than deferral of interest since in case of deferral of interest, term loan is to be repaid in 6 months by 31st March 2021, will be additional burden on the cash flow of the borrower. However in case of moratorium it will be back ended.

Anirvan Sarkar: What percentages of customers who have paid earlier and later were not able to pay and were not able to downgrade?

Pallav Mohapatra: There is no specific data about the customers that have paid first 2 instalments and then requested moratorium.

I am having data of borrowers who have not paid EMI after moratorium and have not been downgraded due to Hon'ble Supreme Court order. This kind of customer base is very nominal. After August 2020, i.e. end of moratorium, 2.34% borrowers in Sept 2020 and 2.15% borrowers in Oct 2020 have not paid instalments and not been downgraded due to SC order. Excluding Agriculture it is 3.82% for Sept 2020 and 3.80% for Oct 2020.

Borrowers are trying to pay their debts with positive behavioural changes towards their repayment.

Anirvan Sarkar: Can you disclose that how much exposure could have slipped to NPA in absence of Supreme Court order?

Pallav Mohapatra: There is no disclosure made in financial statements regarding such exposure. We have made disclosures regarding accounts which have availed moratorium benefit to keep account standard and additional provisioning has accordingly been made.

As on 31.03.2020, there was around ₹ 3300 crore of slippages to NPA, where Bank took benefit of moratorium with additional provisioning of ₹ 305 crore but it came down to ₹ 903 crore and we are working hard to reduce the same. In absence of SC order ₹ 903 crore would have been slipped to NPA as on 30.09.2020. Our team is trying hard to reduce it to the extent possible by Dec. 2020.

Anirvan Sarkar: Central Bank of India's ₹ 21671.80 crore NPAs are in NCLT and is there any visibility on recovery?

Pallav Mohapatra: We have provided 100% provisioning in the RBI's 1st list, 94.44% in RBI's 2nd list and 96.50% in other accounts, aggregating to 96.13% of total NCLT accounts. If the Bank recovers any amount above 3.87%, it will contribute to profit of the Bank.

Moderator: Thank you. The next question is from the line of Rahul Nair from SBI Mutual Fund, please go ahead.

Rahul Nair: I want to know PCA status of the Bank.

Pallav Mohapatra: RBI had imposed Prompt Corrective Action (PCA) on the basis of 3 parameters i.e. liquidity ratio, capital adequacy ratio and asset quality ratio. As on 30.09.2020, our Bank is complying with all benchmarks including Net Non-Performing Asset Ratio (NNPA) below 6%.

However Reserve Bank of India may keep us under watch for some quarters.

However in my opinion PCA status will not affect us significantly. In PCA there are some prescriptions e.g. advances below investment grade are not allowed, no new branches in metro and urban centres, manpower strength should be less than as of March 17 etc. Such restrictions do not affect core working and is contributing towards betterment of customer service and better-quality advances.

Rahul Nair: Bank has raised capital of ₹ 255 crore during last quarter. Is Bank comfortable in current capitalisation or Bank is looking to raise more capital?

Pallav Mohapatra: We have raised to ₹ 255 crore through Qualified Institutions Placement (QIP) and our objective is to raise further capital through FPO as soon as market prices stabilize.

Moderator: Thank you. The next question is from the line of Mr. Amit Mishra from Indus Equity, please go ahead.

Amit Mishra: Can you comment on your housing loan portfolio including asset quality and growth expectation?

Pallav Mohapatra: As on 30th September 2020, our Housing Loan portfolio is ₹ 26587 crore i.e. 56.70 % of total retail advances and retail advances constitutes 26.45% of total advances. 15% of total advances are housing loan portfolio as on the last date of 2nd quarter. We are having 3.40% NPA in housing loan segment and the main reason for NPA is due to some residential projects such as Amrapali etc.

We have established CCPBs to ease processing of loan which is on end to end basis. We are offering a rate of interest @ 6.85% p.a. against 6.90% p.a. offered by India's largest lender. We are offering rate of interest on the basis of CIC score and balance scorecard approach. We are offering 6.85 % p.a. to low risk customer, 7.10% p.a. to medium risk and 7.25% to high risk customer. Through this pricing, we will be able to canvas quality advances which will reduce our credit cost and the growth will be on sustainable basis. In retail we are focusing on housing loan and gold loan with best rate of interests.

Amit Mishra: Kindly comment on risk profiling of retail customers?

Pallav Mohapatra: In retail segment, 36.29% customers availed moratorium in April, which came down to 28.96% in June and further increased to 33.98% in August 2020. In retail, there are only 1.25% customers, who didn't pay

their instalments in loan accounts on account of Supreme Court order by Sept 2020.

It means that our retail loan portfolio is reasonably good enough.

Amit Mishra: With reference to the yesterday's RBI notification, is there any partnership with NBFC under co-lending?

Pallav Mohapatra: We have such partnership with one NBFC. We are exploring such possibilities but there are some practical difficulties in these partnerships e.g. SARFAESI definition is different for NBFC. However we are trying to establish some partnerships while addressing such difficulties.

Moderator: Thank you. The next question is from the line of Mr. Ashok Ajmera from Ajcon Global Services Limited, please go ahead.

Ashok Ajmera: Congratulation Sir, on reporting a reasonably good profit of ₹ 161 crore along with good CASA and operating profits.
I have some questions for you. Can you give some details about Gross Non Performing Assets and Net Non-Performing Assets against the advances growth proposed.

Pallav Mohapatra: With the approval of Board, we have set a target of 11.65% GNPA as on 31st March 2021. To bring down Gross Non Performing assets, we are using tools such as One Time Restructuring, Non Discretionary Non Discriminatory scheme etc. We are also focusing on sale of some big accounts to investors/ARCs. Our focus is mainly on upgradation of NPA accounts with positive mind set.

Ashok Ajmera: In Financials of Q2FY21, ₹ 907 crores mentioned as recovery including sale to ARC. How much amount pertains to sale to ARC ?

Pallav Mohapatra: ARC sale in first two quarters is very small. In both quarters approx. ₹ 37.50 crore is sale to ARC. In Q3, we are expecting good sale to ARCs. We are receiving inquiries from investors and ARCs.

Ashok Ajmera: Bank has made a provision of ₹ 221 crore in Sept 20 quarter and ₹ 282 crore in June quarter on investment along with security erosion of ₹ 122 crore. How Bank is dealing with these?

Pallav Mohapatra: Provision on investment mainly belongs to one account i.e. Suzlon. In the restructuring, total advances were divided into sustainable and unsustainable debt, unsustainable debt was converted into equity like instrument and as it was non performing investment, provisioning was done accordingly.

In respect of security erosion, it pertains to small accounts.

Ashok Ajmera: In financials, there are provisions for taxation of ₹ 374 crore for half year ending on Sept 2020 against the profit of ₹ 296 core. Since it is unusual, Kindly comment.

Pallav Mohapatra: Mr. Mukul Dandige, CFO will answer this question.

Mukul Dandige: While provisioning for taxation, Bank has to consider several factors such as level of operating profits, terminal benefits, non performing asset provisions, deferred tax asset etc. After consideration of all above factors provision for taxation is made.

Pallav Mohapatra: Kindly note that provisioning on bad debts is not admissible as deduction as per income tax which leads to higher tax liability.

Ashok Ajmera: As per analyst PPT, corporate SMA-0 as on 30th September 2020 is ₹ 2390 crore and out of which ₹ 903 crore is standard asset as on 31st October 2020. What about the remaining asset and are you comfortable with these figures?

Pallav Mohapatra: Usually interest is applied on last day of month and repaid on succeeding day i.e. first day of next month and in such cases, accounts were reported as SMA-0 due to application of interest. Out of ₹ 2390 crore, ₹ 903 crore is upgraded and around ₹ 1000 crore belongs to Future group which moved to SMA-1.
We are comfortable with these figures.

Ashok Ajmera: After moratorium, interest deferrals to be accumulated and to be repaid in next 6 months till 31st March 2021. How many have opted to pay this by 31st March 2021.

Pallav Mohapatra: Right now, I don't have figures of borrowers who opted for payment on 31st March 2021. However as per details available with me, other than agriculture, deferment of interest is ₹ 85.52 crore and for agriculture, it is ₹ 424.58 crore and since moratorium ended on 31st August 2020, 2.34% customers in September 2020 and 2.15% in October 2020 didn't pay their interest deferrals.

Moderator: Thank you. The next question is from the line of Miss Sneha Ganatra from Shubhkam Ventures, please go ahead.

Sneha Ganatra: What are the additional employee costs considered by bank on account of wage revision?

Pallav Mohapatra: On account of wage revision, we have already provided to employee cost of around ₹ 885 crore as per last discussion in IBA meeting.

Sneha Ganatra: What is your outlook on treasury?

Pallav Mohapatra: At present safest investments are G-Sec and T-Bills. T-bills yield is around 3.35% and G-sec is 5.60%. State Development Loan (SDL) is providing higher returns but having longer tenor & higher modified duration. SDL's are not liquid and in interest rate change scenario, it can take reverse direction. Bank has to take appropriate decision regarding how to invest and where to invest to maximize return.

Sneha Ganatra: Is there any further recoveries in NCLT accounts post covid?

Pallav Mohapatra: Recovery percentage in RBI 2nd list is lower than that in the 1st list. Liquidation cases are continuously increasing in NCLT cases. If any investor wants to acquire business through quasi judicial process, he will follow NCLT procedure. In case borrower/investor opts for out of NCLT settlement, banks will get higher recoveries.

Sneha Ganatra: Is there any plan to sell any subsidiary?

Pallav Mohapatra: Yes, we are under process of the same and transaction is concluded but yet to made public. We will disclose the details as per statutory requirements.

Sneha Ganatra: Government is planning to sell stake in PSBs and discussion going on with government. Kindly Comment.

Pallav Mohapatra: No Comments.

Sneha Ganatra: What is the outlook on credit cost in second half of FY21?

Pallav Mohapatra: In the September quarter, the provisioning is higher mainly because of movement of NPA from doubtful assets 2 to doubtful assets 3 category. This resulted in provisioning increasing from 40% to 100%. If any extra ordinary event does not happen in Q3 and Q4, there will be no substantial additional provisioning.

Sneha Ganatra: What is the outlook on slippages numbers? Would it be higher than first half?

Pallav Mohapatra: We are putting all out efforts to minimise the slippages. We are open with restructuring wherever the same has been invoked by borrower

and there is no other option available with the Bank, for example Airline Sector.

Sneha Ganatra: What is the bank strategy in retail demand?

Pallav Mohapatra: After opening up of economy post Covid era, people are evincing interest for housing loans. Also we are receiving many loan applications for takeover of housing loans as our interest rate is one of the lowest.

Sneha Ganatra: What is the collection efficiency of the bank?

Pallav Mohapatra: This question should be discussed after end of December quarter after taking moratorium and Supreme Court orders effect on loan portfolio.

Moderator: Thank you. The next question is from the line of Mr. Sushil Choksey from Indus Equity, please go ahead.

Sushil Choksey: Congratulation Sir for good profit of September quarter.
What will be the margin outlook driven by growth trajectory of CASA ?

Pallav Mohapatra: We are expecting net interest margin on yearly basis at 3.00% to 3.05%.

Sushil Choksey: As per your analyst presentation, your recovery is good, in which sense I should read this?

Pallav Mohapatra: In quarter 3, we are focusing for recovery in big accounts. We have kept lower targets in first and second quarter looking to the pandemic. If we will not able to make resolution, sale to ARC, recovery or upgradation in some big 5 to 10 accounts, it will be difficult for us to achieve targets of gross NPA to ₹ 21848 crore. We are focusing on that and the same will be achieved.

Sushil Choksey: It is observed that the CASA support is mainly from semi urban branches. How we are taking initiatives for CASA and cross selling?

Pallav Mohapatra: Our 49% of CASA is contributed by rural and semi urban branches which is a good thing. We can enhance our income by offering additional facilities to the customers for example digital products, cross sell etc.

We are now preparing ourselves for sale of mutual funds, insurance etc. We are trying to market these products using analytics provided by Project Disha. Through this we will target rural and semi urban customers with variety of cross sell products. For mutual funds, we are planning to come up with RFP to include the same in our cross sell

business. We are also going to start 3 in 1 account for urban account holders for more cross selling.

Sushil Choksey: You are having vast experience in card business. How are you going to capitalise the same in the bank?

Pallav Mohapatra: Our Bank was not having required expertise in card business and the option available with Bank is either to hire experts from market or go with any company existing in the card business. We chose second option with a view to reduce cost and create source of non-interest income to the Bank. Also by this way, our existing customers can be better serviced.

Sushil Choksey: Do you think that your retail advances can become 35% of total advances?

Pallav Mohapatra: In next financial year, we are targeting to achieve retail advances level at 35% of total advances.

Sushil Choksey: Can you comment on the reason of focusing on treasury?

Pallav Mohapatra: As per the present scenario, treasury business has become complicated and that's why it requires more attention. We are managing our treasury business with changing industry scenario e.g. we have reduced our modified duration from 5% to 2.50% in first quarter of this financial year. During the same period we also earned trading profit despite being affected by various external factors.

Moderator: Thank you, Ladies and gentlemen, there has been no further questions, I would now like to hand the conference call to Sohail Halai for closing comments?

Sohail Halai: Thank you Mohapatra Sir for giving us this opportunity of hosting a conference call and sharing your insights about the bank and environment. All the Best for future quarters and anything that you would like to add closing comments.

Pallav Mohapatra: Thank you for discussion. I am concerned about the Price to Earnings Ratio of the Bank. While we are having very strong CASA deposit, Government support, high investment grade loan book, good recovery and upgradation, transparent practices, our Price to Earnings ratio is low. Also we are doing well in these tough times by reporting trading profits and interest incomes, however share price is not responding

according to it. Through this concall, I urge all stakeholders to take note of it and have positive look at Central Bank of India.

Sohail Halai: Sir, probably the market conditions are not good but we are improving CASA and a lot of good things happening. I am sure that analyst community will take up that.

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.