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Date: 29th Oct., 2026

The Vice President BSE Ltd., P.J Towers, Dalal Street, Fort, Mumbai-400 001	The Vice President National Stock Exchange of India Ltd., Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai-400 051
BSE Scrip Code: 532525	NSE Scrip Code: MAHABANK

Dear Sir/ Madam,

Sub: Transcript of Earnings Conference Call with Investors / Analysts held on 26th October, 2026.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of conference call with Investors/ Analysts regarding Financial Results of the Bank for the quarter and half year ended 30.09.2026 held on Monday, 26th October, 2026.

The transcript of conference call is uploaded on Bank's website and same can be accessed through below link:

<https://bankofmaharashtra.bank.in/financial-results>

Kindly take the same on your records.

Thanking you

Yours faithfully,

For **Bank of Maharashtra**

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by VISHAL
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(Vishal Sethia)

Company Secretary & Compliance Officer

Encl : As above



“Bank of Maharashtra”
Q2 FY27 Earnings Conference Call”
October 26, 2026



**MANAGEMENT: MR. NIDHU SAXENA – MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER**

**EXECUTIVE DIRECTORS, CHIEF GENERAL MANAGERS
& GENERAL MANAGERS OF THE BANK**

Moderator: Ladies and gentlemen, good day, and welcome to the Bank of Maharashtra Q2 FY27 Earnings Conference Call hosted by Systematix Group. As a reminder, all participant line will be in the listen-only mode. 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 star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Siddharth Rajpurohit from Systematix Group. Thank you, and over to you, sir.

Siddharth Rajpurohit: Good evening, everyone. Thank you for joining Bank of Maharashtra's Q2 FY27 Post Results Earnings Call. From the management today, we have Mr. Nidhu Saxena, the MD and CEO of the bank. We thank the management for giving us the opportunity to host the call and congratulate on the strong numbers.

I hand over the call now to Mr. Saxena for his opening remarks. Thank you, and over to you, sir.

Nidhu Saxena: Thank you, and good evening to one and all, and thank you for joining this investor call. The business and the numbers for this quarter has been quite encouraging for the bank. We had set out the year with a set of guidance numbers across all metrics of growth, profitability, asset quality, capital adequacy and so on.

And I'm happy to share that each one of those guidance numbers have been met, and this is getting consistently met also is one good feature. I will quickly take you through the highlights. The business for this September '26 has grown by 25%, within which advances have grown at the rate of 30% Y-o-Y.

A large contribution -- significant contribution has come from the IBU and minus the IBU, also, the credit growth in the bank Y-o-Y has been healthy 23%. So all verticals of the RAM, Retail, Agri, MSME, have grown individually and have grown more than 20%. The large credit growth, which is seen, is also Y-o-Y growth of 38%.

So INR36,000 crores of large credit has grown Y-o-Y. And as I just said, 50%, INR18,000 crores of this has happened in the GIFT City IBU branch of the bank. The rest INR18,000 crores has happened in the domestic large credit, which is again a healthy 19% growth.

As against the domestic credit growth of 23%, the deposits have also grown healthy 22% Y-o-Y. So even if we exclude the FCNR (B), the deposit growth has happened at the Y-o-Y rate of 19% within which CASA has grown in the bank at 12% Y-o-Y and bank has added in absolute terms, INR19,000 crores of CASA over the last FY.

GNPA also has improved. It has reduced by 47 basis points and GNPA stands at 1.25%. Likewise, NNPA also reduction by 6 basis points. NNPA for the bank is at 0.12%. Provision coverage ratio is at a healthy level of 98.53%. Stress in the loan book also has been well managed.

It has also reduced overall 167 bps year-on-year from 4.93% to 3.26%, within which the SMA 1 and 2 portfolio is also shown a reduction of 50 basis points, and it stands at 1.37%. And we have seen the improvement in the stress levels across the sectors, Retail, Agriculture, MSME, every sector has registered an improvement.

Above INR5 crores, the NPA -- the stress is near 0.13%. And exclude one state account, it is only 0.11%, which also has improved 4 basis points. The cost of deposits and overall cost, we have been able to manage and maintain well. We have been exercising the various options of availing refinance raising through infra bonds from time to time.

Today, in the bank, we have an outstanding of INR18,300 crores of refinance book, which is between 6% to 6.5%. Likewise, infra bond raises, which happened in the last FY, outstanding is INR2,400 crores.

These have been also supporting the credit growth at reasonable and able to give reasonable profitability levels to the bank. So cost of deposits also has reduced for the bank year-on-year by 4 basis points, stands at 4.38%. Likewise, cost of funds overall have reduction -- shown reduction of 25 basis points. It stands at 4.07%. So with slippages also staying under check, profitability for the bank has been good.

Operating profit has shown a growth of 31% Y-o-Y, while the net profit has grown year-on-year 41%. As a result of this, the ROE has shown a sharp improvement. ROE has improved by 440 basis points and has reached 27%, 26.98%, to be precise.

NIM has improved by 12 basis points to 3.97%. And the ROA has improved by 20 basis points to 2.02%. The capital adequacy is also maintained at the healthy level and above our guidance number. CET1 is 15.61% and CRAR stands at 18.51%. Bank is maintaining a good LCR. The LCR is standing at 123% and NSFR at 127%.

So this is overall highlight from my side. I think we should take some questions from the investors.

Moderator:

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

Ashok Ajmera:

The name of my company is Ajcon. Congratulations, Nidhu sir, and the entire team of Bank of Maharashtra, for yet another very good quarter for a good set of numbers, fantastic results. In fact, you have reached many of the milestones. The business for the first time, I think, has crossed INR7 lakh crores, if I'm not wrong. Credit is also more than INR3 lakh -- crossed INR3 lakh crores.

Your EPS for the first time has gone above INR3. ROA is above 2% and many, many more such milestones and the records which you have created in this quarter and the half year. Congratulations for that, sir.

Having said that, I have got some couple of data points, some observations and some questions. Sir, on the provisioning side, there is a low provision for the -- I mean, the provision for the standard asset and the restructured asset has gone up to INR603 crores from INR76 crores in the last quarter.

But at the same time, in the contingency side, which was for the COVID-19, we are gradually reducing our provision from INR1,200 crores to now in 3, 4 quarters coming down to INR510 crores. Coupled with that, the ECL provisioning, which is required to be done, all these 3 questions must be having only one answer from your side. What is our ECL preparedness? How much do we need to provide? And how are we prepared for it, sir?

Nidhu Saxena:

Thank you, Mr. Ajmera. I think you have covered the top line also issue. Let me confirm that, yes, business for the bank crossed INR7 lakh crores for the first time. Coming to the second part, which is provisions.

So I will just like to highlight that provisions for NPAs and provisions for standard, I'll give you the number. The NPA provisions September '25 quarter last year, June '26, that is the Q1 of this FY and September '26, the current quarter we are discussing, the number, you must have seen reduced number.

So INR580 crores has come down to INR120 crores. So there are 2 broad reasons around this. One is that with the high provision coverage ratio, we are maintaining of 98.5% plus. Our incremental requirement that comes every quarter for providing for NPAs is a very nominal amount. This particular quarter, also, we have experienced good recovery in the Q2.

And even the upgradation number has been good. Yes, there is a support also from the -- some recoveries in the debt waiver has come because that book also was 100%. I mean, we were holding with 98.5% provision, we were holding -- it was almost 100% provided for book and whatever recovery has come also has aided towards that. So net, this is one reason that this provision for NPA requirement has got reduced, and this is how it is.

Second, the standard provision book, if you see INR158 crores was last year. This year was INR603 crores. So this is on account of ECL provisioning that we have done of INR500 crores. So that's how in the standard assets, you are seeing that provisioning has increased -- number has increased from INR150 crores to INR600 crores.

And in terms of ECL provisioning requirements, we had our assessments done way back when the draft guidelines were under discussion. And INR250 crores upfront front ending, we had already done previously for ECL. This quarter, we have done INR500 crores.

Our total assessment was that INR2,500 crores is our ECL provisioning to be done in 4 years. Yes, we have put some system in place and validation is going on. Maybe this number appears to even go down.

But assuming INR2,500 crores, today with INR250 crores plus INR500 crores in this quarter, INR750 crores of ECL provisioning that we have already done, this is covering more than 1 year

requirement. So FY27-'28, we have provided for in terms of ECL already by September '26. Going forward, we see no challenge in making the provisions.

Ashok Ajmera:

Point well taken, sir, on this. Sir, the credit growth is also phenomenal. And some part of it, the credit goes to IBU also. You said the large credit of INR18,000 crores came from the IBU. So is it going to be -- and must be some credit growth might have come for the lending on the FCNR deposit, which you have collected through the IBU, I think the credit must have gone.

So do you think that this kind of credit growth will be maintained because your overall target for the year is much, much lesser than what you already achieved in this half year? So where do we -- like from the credit growth point of view, whether this momentum is going to be continued now when there is no opportunity for the FCNR that special window which was opened.

And along with that, this recovery also from the written-off account, which has been exceptionally high in this quarter, INR737 crores as compared to INR305 crores in the last quarter, whether that trend is also going to continue so as to give a color on the future profitability of the bank?

Nidhu Saxena:

So, Ajmera-ji, let me take FCNR. First, we had a mobilization of \$820 million and \$760 million was IBU loan where the leverage from the IBU is \$560 million only. So INR7,800 crores, INR8,000 crores of FCNR (B). And so this is what has actually gone into the IBU overall book of INR18,500 crores, \$560 million of leverage from the FCNR thing. So going forward, yes, this window is not there.

But coming on the domestic side, I have the guidance number of 18%, and we are -- other than IBU, we have grown 23%. So if you see individually, all verticals have grown at 20% plus. And even the large credit is showing a robust growth. It has grown Y-o-Y 19%. In terms of credit pipeline that I'm holding, currently, we have INR23,000 crores of proposals in pipeline. And up to March '27, we have estimated INR10,000 crores out of this will be getting disbursed.

Sectors where we have taken exposure and where these proposals of INR23,000 crores lie are mostly infra -- within infra, infra power, around 18%, infra road, HAM projects of NHAI and 12%, renewable energy, 10%, and metal and other space, 10%. We are doing niche segments like data centers and other things which are actually the growth opportunities available to banks.

So this is how -- plus annually, you might have recall, you can recall 200 branches annually we are opening. So in the segment of Retail and MSME business, fresh business is getting added through these branches as and when they are opening in the bank. In this half year, we have made 77 branches functional.

So whatever branches -- these business branches are -- new branches are getting is also ultimately adding to the growth, both credit side, deposit side. So I don't see a challenge at all to maintain a pace above our guidance of 18% in credit in future also.

Ashok Ajmera:

Sir, whether the drought situation, especially in Maharashtra, and we are predominantly present in Maharashtra, has it -- I mean, started showing some signs of -- I mean, getting the negative

Restricted

effect of it? And how do you see it is to be played out, whether still -- I mean, you see this 18% or 20% growth is not going to be dented or affected because of the drought -- prevailing drought situation in the -- especially in Maharashtra and in the whole major part of the country, sir?

Nidhu Saxena:

So if you ask about current scenario, I -- in my opening remarks, I said that the stress levels have actually gone down. And the same has happened also in the agri book. So agri book, the stress has improved. Stress level has gone down from -- by 35 bps to stands at 3.51. So currently, there's no stress as such, which is visible to us.

Whatever growth has happened in the agriculture, I would say a very substantial part of this is through agriculture gold loans. So we are very mindful of taking exposure in any segment. This agri gold loan is all backed by security. We don't foresee any issues around our gold loan growth in the bank. So that's how it is currently. But yes, with the El Nino talk around, we are mindful.

We are monitoring. But as of now, as I said, the entire growth which has come in the bank is through secured gold loans. There is no anticipated stress that will build through the El Nino. But we are monitoring the situation closely.

Ashok Ajmera:

Sir, my last question in this round is on our digital preparedness...

Moderator:

I'm sorry to interrupt you, sir...

Ashok Ajmera:

Just last question. Just one question. On the -- sir, on the cybersecurity front and the digital front, technology front, now as you know, a lot of things are happening and especially everybody has to become very, very cautious even though we were prepared for that. But what is the extra preparedness for it?

And now with this DPDP Act also coming in and many of the new challenges are to be faced, how are we prepared for that? Is there any extra budget which we have prepared -- I mean, kept for this or how are we going to deal with these kind of situations which are happening around, sir, on the digital front?

Nidhu Saxena:

So Ajmera-ji, I think the question that you have raised is a very relevant one, but it is -- cannot be answered in a line or 2. There will be so many things that bank is doing and doing in association with various entities to safeguard the bank, to safeguard the customers to maintain the trust that the people have in the banking system as such. So there are various entities, regulators who are doing so many things around this. It's very difficult to answer.

But I can tell you very proactively, there is absolutely in terms of providing budgets in doing any in the cyber area, we have never -- we have been very upfront and proactive in taking whatever steps, suggestions that are coming from the various entities, CERT-In and all for '24-'25, we had provided a INR900 crores budget for IT, where a large part is going towards the cyber because a lot of things in terms of hardware replacement, in terms of upgradation had already been achieved. In '25, '26, we have kept INR985 crores.

So major part is going there, where we don't see budget as a constraint, first of all. And there is nothing as such not to do to safeguard the interest. So this is how things are moving. But as I said, this is a very pertinent but very lengthy answer is required to holistically give you.

Ashok Ajmera:

I'll take it offline, sir. No problem. We'll discuss. You have been doing a phenomenal job. I think this kind of growth is unheard. And in fact, once upon a time, I mean, Bank of Maharashtra had achieved 26%, 27% and now coming in 29% and 25% of the business growth crossing INR7 lakh crores is no more that the people used to have in mind a small bank or saying the Bank of Maharashtra is fully ready to take off from here now maybe and the kind of growth which we are having it, we can see a INR10 lakh crores bank very soon.

Moderator:

The next question is from the line of Parth from 360 ONE Capital.

Parth:

Sir, what is the proportion of the EBLR book in the overall loan book?

Nidhu Saxena:

So Mr. Parth, it is 47%, which is linked to the external benchmark.

Parth:

Okay. Okay. And the second question is our cost of deposits have increased sharply on a quarter-on-quarter basis. So what has actually happened here?

Nidhu Saxena:

So if you see Y-o-Y basis, we have seen a reduction. But if you ask me, we have been very mindful of doing business and doing business profitably. We have been very consciously looking at alternate sources of raising our resources, whether it is through the refinance window, whether it is through raising infra bonds.

Whether it is through capitalizing on our strong investor engagement and going for debt issuances, whether it -- for the bank in its 92 years of lifetime, this was the first time that we took assessment, which is around \$2 billion is what we had in mind is what we can have an appetite for raising through the RBI swap windows for OFCBs and FCNR (B).

And we decided to do around \$1.5 billion. I can tell you that we did \$1.65 billion, putting FCNR (B) and OFCB together. And there also, we are going to get the rate advantage in this scenario of interest rates going up, both domestic and global markets. I think the MTN program where we raised -- it was the first ever foreign bond issuance for the bank, and we got 3x the issue size as subscription from the investors. And at a very good rate, it was very well timed.

And this is a fixed component for the next 5 years for the bank. We have our calculations in place, some ballpark numbers as to what in terms of profitability, this one initiative of fundraising through foreign bonds will lead to the bank.

So those numbers also are there. And I think -- so the point is we have been very cautious. If we have done a lot of FCNR (B), some high-cost bulk deposits, we have consciously allowed to leave the system and focus more on low-cost components of the deposits.

Parth: Okay. So from next quarter's perspective, sir, should we expect the cost of deposits to inch up or stay at similar levels? Because next quarter, we'll also have some impact of the FCNR (B) deposits?

Nidhu Saxena: So FCNR (B) is actually fixed 6.51%. And if you ask me the CD -- 1-year CD is 7.75%, somewhere hovering even touching 7.9% or something, 1-year CD. So all these mobilizations, fundraisings have been at a very good rate. 6.11% was my OFCB. So -- and it's a fixed 5-year fixed cost kind of a thing.

So -- and yes, the focus will also always remain to see that we are able to attract core stable retail deposits into the bank, where from time to time, if we have to offer attractive rates through some special schemes, we'll keep doing that to maintain that.

But then high-cost bulk deposit is not the preferred mode to raise resources. We have very consciously with this refinance that we took, we have been able to see that our overall cost is Y-o-Y basis gone down. Actually, cost of funds has gone down by 25 bps. And many such raises don't attract the CRR and SLR requirements, the PSL requirements. So they are actually beneficial in many ways to the bank.

So the point is the growth, top line growth, we are very careful, mindful that how it is impacting and whether the growth is happening in the bank and profitable growth is happening, that is of paramount importance. We always have our complete sight over that part.

Parth: Sure, sir. And my last question, sir, this recovery from written-off accounts of around INR1,200 crores, how did it impact the interest income line item?

Nidhu Saxena: So there is in recovery in write-off, there is INR125 crores -- in total recovery in write-off, there is a good contribution which has come from debt waiver also. And in case of debt waiver, we have around -- see, 442 is the debt waiver we got in write-off recovery. So there was unapplied interest...

Management: 2 to 3 bps.

Nidhu Saxena: So of 2, 3 bps, which has come as contribution to our NIM. So this is what -- but to come -- to respond to your query regarding how we look at the write-off and write-off recovery going forward. So we have a book of almost INR21,500 crores of write-off book. We have targeted annually for the next 4 to 5 years to recover something like 1,300 crores to INR1,500 crores annually.

Why this range? Because out of INR21,000 crores, we have INR8,000 crores, which is in NCLT. And out of 151 cases, 147 cases around are admitted already, where the amount involved is INR7,500 crores. So INR21,000 crores minus INR7,500 crores is the non-NCLT book where we are focusing also very hard to get recovery from the write-off.

If I tell you the numbers, our recovery of write-off, which was ranging from INR600 crores to INR700, INR800 crores annually for FY22 to FY24, it has been increased. FY25, INR1,375

crores, almost doubling that. FY26, INR1,423 crores. FY27, we have already done INR1,023 crores.

But if you see the stock is still huge for us to -- and this is how we are planning that annually for next 4, 5 years, we should be able to target and receive INR1,300 crores to INR1,500 crores annually. That's the target we have kept.

We have 2 Board-approved special schemes where up to INR1 crores in old accounts, we are taking -- bank is consciously worked out a haircut, looking into the underlying securities that bank hold, looking into the in age of NPA and some other issues, if there's no security around or we have auctioned for N number of times, but we are not disposing.

So the metric gives the nondiscriminatory, nondiscretionary to the field functionaries to go ahead and get recovery in these written-off accounts also. So that's how we are pursuing for going forward.

And last 2 years, we have seen a good outcome from our efforts in recovering in the write-off book. But as I said, despite that, we continue to hold a big gold mine, I would say, of INR21,000 crores where we can keep targeting recovery. And annually, if anything, we are recovering in the write-off book is straightaway adding to our above-the-line OP number.

Parth: Sure, sir. Sir, can I ask one more last question, please.

Nidhu Saxena: Please.

Parth: Yes. So now considering we are hearing about the drought situation in Maharashtra and Karnataka. And so in case the state government announces for a restructuring, how does the debt waiver scheme operate differently from a restructure? Can you just throw some light on the same?

Nidhu Saxena: So mostly what happens is whenever there is a drought-like situation, it is discussed also in the SLBC and a restructuring plan gets approved, whereby we will restructure the accounts without the accounts getting downgraded. So this is how things will happen. I think the assessment is done at the SLBC level, and that's how the restructuring framework is approved. And any such activity does not let the account downgrade.

So the way things El Nino will pan out in various parts of the country, I think this call will be taken. As of now, as I said, we are not experiencing any visible stress in the agriculture book. And since large part of growth that has happened in the last 1 or 2 years, contribution has come from the secured part of gold loans.

Currently, there is no reason I see for us to worry, but we are closely watching, and wherever the SLBC guidelines are going to come, where we have to allow restructuring, we will be proactively implementing those and going forward, implement those directions of the state.

Moderator: The next question is from the line of Amansingh Sahajsinghani from ICICI Securities.

Amansingh Sahajsinghani: Congratulations on a good set of numbers. Sir, continuing the question from the previous participant, as you said, a large part of agri growth is done in the gold loans. Can you give out the agri gold number for the bank?

Nidhu Saxena: Yes. So INR11,000 crores actually has grown year-on-year in the agriculture book, which is translating to 34%, out of which I think the number is INR10,700 crores around this. What is the number?

Management: INR18,600 crores.

Nidhu Saxena: So this is outstanding. So growth, if you are seeing -- so see, agri gold loan, INR6,500 crores was the number in September '25, has grown to INR18,600 crores in September '26. So it's INR12,000 crores growth, which has come in agriculture gold loan year-on-year.

Amansingh Sahajsinghani: Right, sir. Also, sir, our retail gold book has declined quarter-on-quarter. Any comment on that?

Nidhu Saxena: So if you see the gold loan, there was certain tweak in the Reserve Bank of India guidelines last year, wherein some segment of the gold was subject to conditions going to get qualified as an MSME. Some segment will go into the agri. And the nonpriority gold loan will be under the retail category.

So wherever -- after those guidelines have been introduced, wherever branches have been sourcing or even when the existing gold loan is repaid and the customer requires further extension through a fresh loan. And if the customer is eligible for an MSME or for an agri, they are renewed accordingly.

And since it's a PSL, even in terms of our pricing strategy, we had kept 3 prices for these 3 segment of products. In fact, there was no MSME segmented product as such. But after the RBI guideline, we immediately introduced a new MSME gold loan product. So agri will attract the lowest rate. MSME will be priced a little higher, 50 bps or so.

And the non-priority will be, again, charged the highest. So with the pricing strategy, even those who are eligible under retail, they've been availing. And if they are eligible under MSME, if it's a shopkeeper, small trader and has a Udyam Aadhaar and he's been availing gold loan facility from the branch, and when the renewal comes, he or she has moved from the retail to the MSME book.

So that's how retail has gone down and a lot of movement has happened intersect. They have not customers who have left the bank, but they have moved from retail to other priority sector eligible buckets.

Amansingh Sahajsinghani: Sir, can you please give out the MSME gold outstanding book or total gold outstanding book for the quarter? So that would be helpful and comparable?

Nidhu Saxena: So we'll just read out the number.

Management: Yes. So the total gold loan outstanding is INR33,000 crores and MSME gold loan outstanding is around INR2,000 crores.

Amansingh Sahajsinghani: Right, sir. Sir, second question, if you can also help me with the number on ECLGS disbursement that we have done in the under the...

Moderator: I'm sorry to interrupt you, sir. If you have follow-up questions, please rejoin the queue. The next question is from the line of Sushil Choksey from Indus Equity Advisors.

Sushil Choksey: Congratulations to team Bank of Maharashtra for excellent performance. Sir, to sustain this performance, the entire banking system and the globe is transforming. For Viksit Bharat, new businesses are emerging, whether it's EV vehicles, battery manufacturing, data center, GPU financing, logistic plays, multiple plays.

How are we shaping up to enhance our visibility on corporate business, even supply chain with multi MSME and various other verticals being in heart of Pune, which is the second largest engineering center in the country. How is business outlook looking from this point of view is my basic question.

Nidhu Saxena: Yes, sir. I think thank you and very interesting. Sir, in fact, where the economy is growing, where the country is growing, bank is very closely finding those and marking those as sectors which - where we are bullish to grow our exposure to.

So with the aspiration of developed nation by 2047, we know that we have to be going -- country has to see a lot of infra upgradation. So whether it is ports, airports, roads, these are the sectors where there is an emphasis coming from the government also.

And we are also picked up wherever these road projects under the HAM model from the MoRTH or the NHAI, we have extensively funded these projects. We have upped our ticket size also, appetite also. And we have been doing data centers. In fact, I would not name the account, but the first of the biggest data center in Navi Mumbai is also funded by us along with NaBFID. So we have been joining hands with these entities, like NaBFID, where we have participated in large transactions also.

So infra, within infra road, power transmission, renewable energy, I think almost INR14,000 crores, INR15,000 crores has been funded in the last 3 quarters in the renewable energy. And this is where we are seeing that there is a growth emphasis and opportunities, new opportunities coming in. Support from the government is coming in.

And we are also marking these sectors as bullish for us to grow. In fact, my current pipeline, which is almost INR23,000 crores of this corporate book, we have share of almost 18% from power, infra, 12% from the road, 10% from the renewable energy, 10% from the metals and the allied sectors. So this is where new opportunities are coming, and this is how we are aligning ourselves participating in the Viksit Bharat vision of the country.

Sushil Choksey: Sir, to sum up your reply, do I assume that you're not averse to a large equity backer and a cash flow-driven new businesses to be supported? And second thing to achieve the enhanced performance levels, how is bank supporting the HR training, digitization, new initiative on digital because the new businesses and emerging growth needs a lot of support for good talent within the bank to understand the businesses?

Nidhu Saxena: Sure. I think very valid point, sir, that you have raised. And bank has to gear up itself for facing the new opportunities. And if the skill sets internally will take time to groom and train and then you are able to handle new businesses or internally any skill sets which are found not present, but bank requires, we have gone for massive recruitment also.

And the idea is the assurance functions, the managing of risk, including the technology risk that we will encounter when we are growing. The IBU -- bank has been doing for 90 years domestic business. But here, we went into a different, I would say, domain where not a lot of skill sets were there. But -- so we went in for recruiting externally and taking -- onboarding the best talent to manage these elements.

In terms of branch opening, since we are also aggressively opening branches in the potential growth centers of the country to support this massive branch expansion at entry-level positions, we also have been going for large-scale recruitment. If I have to give you a number, 2 years back, we were 13,000 in terms of the employee strength.

But for this manning the initial positions, the new branches, but now the number is standing at 17,500. And I have not been worried about if the cost to income has to go up, it's fine because we need good people, good talent and the right number to take this growth.

And as I said, assurance, the regulator comfort with the bank, how we are growing in the IBU or elsewhere in the domestic side, that has to be properly assessed, managed because stories are sustainable only if it has been done in a very compliant manner. So we have gone for a lot of recruitments in these kind of specialized skill sets, treasury, IBU and IT as well.

Sushil Choksey: If I understand your reply, instead of underwriting large projects, which we can't because of the size of the bank, you have a good understanding with organization like NaBFID, which you indicated, an equivalent organization who are underwriting such projects. So your risk is divided in this way, you're garnering the business. Am I to understand that?

Nidhu Saxena: Absolutely. Yes, sir. Just to add -- sorry, I will just add on that. And we have increased our appetite also if we have gone for funding projects, large projects of national importance, where we see support coming from the state, from the center, from the World Bank, from entities like NABARD, they're also funding and where NaBFID is there, and we have -- we take the advantage of being the sole commercial banker.

And when that happens, we are able to manage the entire escrow and cash flows of those projects, which also give me some business on the liability side also. So this is how we participate with term lending institutions where we wish to take the entire working capital

opportunity and also managing the escrow for that large projects where we get some liability side business also for the bank.

Moderator:

The next question is from the line of Sameer Bhise from Dymon Asia.

Sameer Bhise:

Congrats on a strong set of numbers, sir. Just wanted to understand on the treatment of the like recovery from written-off assets, which probably is aided by the Maharashtra loan waiver recovery. You indicated that the impact on the interest line is around INR125 crores. But if I look at the yield on advances, it jumped like 30 basis points on a sequential basis. So what explains such a largish improvement in a quarter?

So some clarity there would help. Is there any other like accounts which were upgraded to standard and that has helped the interest line here? Or if you could provide some details, that will be helpful.

Nidhu Saxena:

So Sameer, first of all, debt waiver, there is eligible around INR3,500 crores of accounts which are eligible. Our estimates and calculations are that out of which government receivable is around INR2,750 crores. And in the above INR2 lakh category, there is a requirement from farmer to first upfront come and deposit, then the debt waiver amount is passed on to that account. So around INR260 crores like that.

And in this entire INR3,500 eligible portfolio, tentatively eligible portfolio, we have a haircut of INR500 crores as against which our provisions that we are holding is INR1,700 crores. So actually, in practical sense, there is no haircut at all to us because we have already provided this element.

So up to 30th September, out of eligible INR3,500 crores and INR2,700 crores government receivable, we have received around INR1,200 crores, wherein the write-off recovery is INR422 crores. The recovery in the NPA side has been INR465 crores. Rest has gone to overdue accounts.

So this is how the breakup is. Around 50% has been concluded, I would say. The rest 50% will be seen in due course. But we are not counting on this because these are not effort of our branches and verticals. We have already a target approach to the write-off book that we are holding.

I had just explained a little while ago on that. And through our 2 targeted schemes of up to INR1 crores and from INR1 crores to INR50 crores, we try to resolve other than NCLT cases in the write-off in a better and a bigger way.

Last 2 years, recovery numbers have been quite encouraging. And this trend, we will keep maintaining going forward as well. So any recovery, which is coming is adding to the OP number. And we see this as a big gold mine with us. And if we just attend to this in a focused manner, annually, INR1,200 crores to INR1,500 crores, INR1,300 crores to INR1,500 crores is what we have our number in mind, which we'll keep doing for the next 4 to 5 years, I would say.

Sameer Bhise: Excellent, sir. I appreciate the clarification. Just reconfirming. So there is some element from this, which has helped the yield uptick. Is that a fair conclusion?

Nidhu Saxena: So in terms of NIM, it is 2, 3 bps and INR125 crores, it is actually INR30 crores. So far, what has happened, INR125 crores must be the total calculation, which I shared a little while ago. Till date, whatever recovery will come, INR30 crores has gone towards the interest element. So we have also one-off 3, 4 bps ITR refund had come, I would say that would have contributed to the NIM.

But let me -- Sameer, let me tell you the real change is what -- which is helping us maintain this kind of NIM above our guidance is our focus on not only growing but growing profitably. We have now in place a system where we are able to assess the branch level profitability.

This is again an industry-leading example, I would say, in the entire sector, in the banking sector, when the field functionaries are reviewed, the review is limited to the top line growth. The number of -- the target is there for only top line. But correspondingly, the top line growth, whether it has translated to corresponding growth in the bottom line, this is always left as a function of the central office or corporate office to look at.

But here, we have, for the last 3 quarters, already implemented a system where the branch level profitability is also part of the review in our meetings. So it is not merely that if the branch or the zone has grown their business by, say, 10%, whether the profitability bottom line has also grown correspondingly 10%, 15% or it is 5%.

So in terms of how the business that they are sourcing, are they negotiating properly with the clients, in terms of what pricing every MSME facility, INR50 lakhs, INR1 crores, INR2 crores, whatever, are they able to command a good rate, negotiate a good rate, then only their top line growth will help with the bottom line.

And I think this kind of focus that we have brought down to our zonal manager and branch manager, now everybody is contributing in the profitability of the bank. So I think this is the one -- I don't have numbers to actually showcase how this transformational change that we have thought, which is the first of example in the industry.

But now we have made it -- we have taken it to how we give the annual performance rating to the employee, it is how he is doing business and how he is doing profitable business. There is a metric which awards in their annual performance ratings also, some marks and which has really brought focus to even my branches when they are doing individual transactions, they are mindful of the profitability part of it. That's bringing the change, I think.

Moderator: The next question is from the line of Suraj Das from Sundaram Mutual Funds.

Suraj Das: Congrats on the quarter. One data keeping question. Sir, if you can give the SMA 1 and 2 figure, including less than INR5 crores exposure. I think in the slide, you have given 5 and 8 basis points, respectively, for the SMA 1 and 2, but I think that is only for the INR5 crores and above.

If you can give the figure for the overall bank for this quarter, September as well as for the June quarter?

Nidhu Saxena: Sir, I have the numbers for September readily. I'm just sharing right away. So stress overall is INR10,750 crores, within which SMA 1 plus 2 is INR4,500 crores for the bank as a whole. Then above INR5 crores is amount must be.

Management: INR432 crores.

Nidhu Saxena: INR432 crores, sir. Above INR5 crores is INR432 crores, which is translating to 0.13%.

Suraj Das: And what was the figure, sorry, sir, below INR5 crores? I missed that. Overall, you said INR10,750 crores, right?

Nidhu Saxena: Sir, SMA 1 and 2, 1 plus 2 SMA is INR4,500 crores. I hope that...

Suraj Das: By any chance, sir, you use the figure for June quarter also or maybe the latest one? Maybe...

Nidhu Saxena: Sure, 1 minute.

Management: Around INR4,100 crores was the June figure.

Suraj Das: And in October, latest till date or maybe for the first fortnight?

Management: That is not readily available. We'll be providing you.

Nidhu Saxena: We'll take it and offline provide you. But June and September numbers, sir, we have shared with you. Those were readily available, so we have shared. ECLGS, somebody has asked, I don't know if I can push in, in this question. So ECLGS, sir, we had done INR4,493 crores.

So almost INR4,500 crores of ECLGS within which agriculture was INR530 crores, major component, MSME, INR3,300 crores and corporate was INR577 crores. Sir, if you have any other question, I will take that, please.

Suraj Das: Sure. Maybe for October, I connect offline.

Moderator: The next question is from the line of Jai Prakash Mundhra from ICICI Securities.

Jai Prakash Mundhra: Congratulations on a very strong set of numbers. I have a few questions, sir. Sir, first is just to connect on ECLGS, you can give agri loan also in ECLGS, right? Will that pertain to, let's say, crop loan also or what kind of agri loan will qualify for ECLGS?

Management: So it is agri business loan where they are also processing -- under the processing and they're having the URN registration. That classified as under the agriculture as per the PSL classification.

Jai Prakash Mundhra: Okay. So they have URN or anyway, they are MSME, right, but they are in agri, so they are agri also?

Management: Yes.

Nidhu Saxena: So Jai-ji, processing. Yes, okay. Please go ahead.

Jai Prakash Mundhra: No, sir. You complete, sir.

Nidhu Saxena: No, no, it's okay. I think what my vertical head has explained, it is -- the processing unit is the example he has given. I hope that clarifies.

Jai Prakash Mundhra: Yes, yes. Sir, secondly, on yield on advances, I think Sameer also asked. But sir, the question is that in this quarter, we had around INR24,000 crores, INR25,000 crores of Q-o-Q increase in the loan growth, right, of which around INR10,000 crores is IBU led. And I believe IBU yield will be much lower than the bank domestic yield.

So -- and still the overall yields have actually increased. So there seems to be some extra element, which is pushing the yield up because the loan mix is actually favoring IBU, which has lower yield. So what is the disconnect, sir?

Nidhu Saxena: So Jai Ji, the global NIM -- global yield has been 8.86% and the domestic was 9.02%. I mentioned a little bit about this branch level profitability, which is an industry-leading thing. Yes, what we had done very consciously, we had a lot of entities, state PSUs where, of course, it was MCLR linked, but very fine rate was continuing.

So we identified all these facilities, which are running into several thousand crores and we had gone with increasing the pricing in that. The ROI was changed. I will not like to name the entities, but this was very consciously done before the quarter. Before the -- it was done actually in the Q1 as a very conscious exercise in several accounts.

So even in the INR2,000 crores, INR3,000 crores, 25 bps, I'm increasing, the worst-case scenario, we were thinking that probably a central NBFC will pay off my dues, but it did not happen because we are able to see that market is like that and the cost is actually going up for them also.

So we didn't see any of that element, but we are prepared to do that because we found that the pricing is too fine for now. And so very consciously, we did this in several accounts. This also has contributed. These were all MCLR linked is what -- I don't have the exact calculation to showcase. But this was, again, 1 or 2, 3 things which were contributing in the high NIM improvement, 12 bps that has happened for us.

Jai Prakash Mundhra: Right, right. So sir, is there any -- so yield on advances global is 8.86%. What is the IBU yield, a rough number will also help. Is it like below 6% or is it reasonably similar to yield on global yield on advances?

Nidhu Saxena: I will have to seek some time for you to revert back. The IBU is not linked on this. I will get the number and offline maybe share with you.

Jai Prakash Mundhra: Sure, sure, sure. Secondly, sir, on Maharashtra debt waiver recovery. So I heard you that out of INR2,700 crores receivable, so far as of September, we have received only INR1,200 crores, right? So still around INR1,500 crores worth of claims are yet to be received, right? Is that the understanding correct?

Nidhu Saxena: Jai Ji, you're right. Those are the correct estimated numbers that we are having. But for those accounts which have concluded, we can say anything for sure. But those which are forming now INR1,500 crores, there is always a process which the state will entail. So they will keep refining the list.

The accounts have to be cleansed and sometimes the eligibility criteria undergo some changes. So we are not sure on that. But I can tell you, on 1st October itself, we received more INR115 crores we've already received, already received.

So out of that INR1,500 crores that we are just discussing, on 1st October, INR115 crores is received by the bank. But we are not -- so because there's a process of cleansing accounts, lists are shared, data is uploaded, then sometimes the approval process takes its own time.

The availability of funds also sometimes is seen by the state when they will give -- so these are the issues which are beyond our control, so we don't rely much on what is happening. Yes, this is the eligible portfolio. That's rough estimation number we are having, but we are keep doing our own efforts and just don't rely on what.

But yes, anything which is coming with kind of provisioning that we are holding for this FY, I think we'll see some extra outcome, extra recovery in the write-off book also and the overall recovery also out of this debt waiver event.

Jai Prakash Mundhra: Correct. Sure. And sir, is there any time line from government that let us say the rest should come in this financial year or it could actually spill to next financial year or it can be even after that also?

Nidhu Saxena: So 31st March 2027 is what they have indicated in the SLBC, sir.

Jai Prakash Mundhra: Okay. For the second and final tranche, right?

Nidhu Saxena: Yes, sir. Yes. It may come in several tranches, but now the date is given. So far, SLBC, this data is shared there.

Jai Prakash Mundhra: Right. Sir, on your ECL comment, you have said that we now -- INR2,500 crores assessment is broadly unchanged. It can actually revise the downwards. But as of now, you are holding on to that. And you said that you hold INR2.5 billion plus INR5 billion.

I think we also had some other provision by West Asia crisis or you can label it something -- anything which is not NPA or contingent provision, sir, how much is the total outstanding contingent provision, which including West Asia or COVID or ECL?

- Nidhu Saxena:** So West Asia is what global -- we had nomenclature given was that.
- Management:** Global uncertainties.
- Nidhu Saxena:** Global uncertainties is what the nomenclature and we had provisioned INR200 crores. So putting all these together, it should be somewhere INR1,600 crores to INR1,800 crores that we are still holding surplus provisions.
- Jai Prakash Mundhra:** Right, right. And you can actually use those towards ECL transition, right? Is that a reasonable understanding?
- Nidhu Saxena:** Yes, Jai-ji. You're right, we can always do that.
- Jai Prakash Mundhra:** Right. Understood. And last question, sir, on this ongoing drought thing, you are the SLBC lead, right, in this state or not? What I'm trying to understand is there have been several districts which have been marked as drought affected, etc. Is there any -- let us say, I believe the economic activity, especially in agri side would have come down for sure, right? Is there any, let's say, lower recovery or what is happening? I mean, when can we see the restructuring? When can SLBC pass the restructuring or natural calamity restructuring?
- Nidhu Saxena:** Jai-ji, just permit me the SLBC head who participate and heads. So he's with me in the group. We are listening to all your queries. I'm just handing over the mic to him, and he will explain granularly also.
- Management:** Good evening, sir. As you know, special SLBC has already been convened wherein it has been decided by the committee that where trigger 1 means where crop loss is up to 33% and crop loss above up to 50%, where the crop loss is up to 33%, banks are advised to restructure giving 1-year moratorium and repayment period up to 3 years.
- For a crop loss more than 50%, it is going to be total repayment period of 5 years, including 1-year moratorium. Already a communication has been sent to all the banks and who will be coming for restructuring, the farmers, they will be getting restructuring for under this.
- Jai Prakash Mundhra:** Understood. So sir, this scheme is final, right? It has gone out to all banks.
- Management:** Yes.
- Jai Prakash Mundhra:** And now is there any deadline, sir? So by, let's say, by December, whoever wants to restructure, they should come forward or this is an on-tap window?
- Management:** There is -- as far as time line is concerned, declaration has a time line. But as far as applying by the farmer, it is up to February.
- Jai Prakash Mundhra:** Up to Feb '27.

- Management:** Jai, sir, past experience is that is generally 10% to 15% turned to be -- avail this kind of restructuring. So that is not much because our past experience is like that 10% to 15% cover and that required 5% provisioning. So it will not impact much.
- Jai Prakash Mundhra:** Right. And sir, apart from crop loan, does this also scheme pertain to, let us say, other normal businesses, SME who are in the drought affected district or they are not part of the scheme or they may have a separate scheme?
- Management:** This scheme is only for the agriculture related, whether it is a term loan or crop loan for that it is direct credit.
- Jai Prakash Mundhra:** Right. And your assessment says that...
- Moderator:** I'm sorry to interrupt you, sir, but that was the last question.
- Jai Prakash Mundhra:** Sorry, should I continue or...
- Nidhu Saxena:** Jai-ji, you can finish your question, please.
- Jai Prakash Mundhra:** Yes. So sir, I just wanted to know, let us say what is the crop loan -- total crop loan, if I see for the bank itself is around INR20,000 crores, right? Farm loan is -- what is the -- farm credit is the crop loan, right? That is the outer limit, right? I'm trying to understand what could be the -- even if you believe, let's say, 15% restructuring were to happen, how much could that be the quantum? So out of INR44,000 crores of agri loan, INR20,000 crores is farm credit, right, roughly...
- Management:** Jai sir. What is -- farm credit is also having a majority portion is also in the form of gold loans. So exactly I will having not amount, but it will not -- much amount will be there. Exactly production credit, that will be not much.
- Jai Prakash Mundhra:** Right. No, I think, sir, this is clear, reasonably clear. Thank you so much for your time.
- Moderator:** That was the last question for today. I now hand the conference over to the management for closing comments.
- Nidhu Saxena:** I think bank has -- we keep seeking -- coming back to you, analysts and the investors community with guidance numbers, promises that management has to be adhering to religiously, we keep delivering on what guidance numbers and whatever we have been sharing, and we'll keep seeking your support going forward. And thank you so much for sparing time to participate in this investor conference. Thank you.
- Moderator:** On behalf of Systematix Group, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.
