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To,

BSE Limited, **Department of Corporate Services,** 25th floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001. **SCRIP ID : PSB** **SCRIP CODE : 533295**	**National Stock Exchange of India Ltd.,** Exchange Plaza, C – 1, Block – G, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051. **SYMBOL: PSB SERIES: EQ**

Dear Sir,

Reg: Transcript of the Earnings Conference Call on Unaudited Reviewed Financial Results for Quarter (Q3) / Nine Months ended 31st December 2023.

With reference to above and pursuant to the applicable provisions of SEBI (LODR) Regulations, 2015, we enclose the transcript of post results Earnings conference call for the Quarter (Q3) / Nine Months ended December 31, 2023 held on February 1, 2024.

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

https://punjabandsindbank.co.in/system/uploads/document/7803_20240208193040288269.pdf

This is for your information and records.

Yours faithfully

SAKET MEHROTRA

Digitally signed by SAKET MEHROTRA
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Punjab & Sind Bank
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Accounts & Audit Deptt.
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Saket Mehrotra
Company Secretary

"Punjab & Sind Bank Q3 FY-24 Earnings Conference Call"

February 01, 2024

MANAGEMENT: **Shri Swarup Kumar Saha, Managing Director and Chief Executive Officer**

Dr Ram Jass Yadav, Executive Director

Shri Ravi Mehra, Executive Director

Ms. Mahima Agarwal, Chief Financial Officer

MODERATOR: Ms. Shilpa Abraham

Moderator - Good afternoon, ladies and gentlemen. I'm Shilpa Abraham, the moderator for today's earnings call. I welcome and thank each one of you for joining us today for the Q3 FY24 Financial Results of Punjab & Sind Bank. Please note that this conference is being recorded and all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the opening remarks by the management. Should you need any assistance during the conference call, please raise your hand on the Webex panel or press *3# on your phone.

I would now like to introduce the management of Punjab & Sind Bank. We have with us today, Managing Director and Chief Executive Officer, Shri Swarup Kumar Saha, Executive Director, Dr. Ram Jass Yadav, Executive Director, Shri Ravi Mehra and Chief Financial Officer, Ms. Mahima Agarwal. I would now like to hand the conference over to Shri Swarup Kumar Saha, MD and CEO of Punjab & Sind Bank for the opening remarks, after which we will have the forum open for the interactive Q&A session. Thank you and over to you, sir.

Swarup Kumar Saha: Thank you. Good Afternoon everybody and Thank you for joining the Con-Call today regarding the Q3 financial performance of the Bank. The Board had approved the results yesterday and the results have been posted on the website of the Bank and the stock exchanges. I'll just give a brief of the highlights of our Q3 performance of this year and then we'll proceed for the question and answers session.

In spite of the challenges of the ecosystem of the migration of the CASA deposits to the retail term deposits and the overall global and domestic scenario, the bank has shown some significant improvements in the Q3 of the financial year '24 compared to that of the Q2 of the same year. Some of the salient features where the bank has shown improvement is in the CASA ratio. The CASA ratio has improved sequentially by 158 bps to 32.77%. The NIM of the bank has improved sequentially by 21 bps to 2.54%. The net interest income has improved sequentially by 9.48% to Rs.739 crores. The non-interest income has grown by 35.07%. The Gross NPA has improved to 5.70% showing an improvement of 53 bps. Operating profit also has sequentially improved to Rs.277 crores. The yield on advances has improved quite substantially to 8.91% showing a sequential improvement of 29 bps and this is one of the better yields compared to all the other public sector banks.

In terms of the overall business growth on the Y-o-Y basis, the total business the bank has crossed the milestone figure of Rs.2 lakh crores in Q3, showing a total business growth of 7.84%. The deposits grew at 8.09%, the retail term deposits is also a good factor that is impacting positively in our bank's overall performance showing healthy growth of nearly 9% on Y-o-Y basis. The savings deposits have grown by over 6% and the current account deposits have grown by over 9%. CASA, on the overall Y-o-Y basis has also grown by 6.38%, which is better than many of our peer banks. The CASA ratio on Y-o-Y basis has declined by 53 bps but our decline, if you compare the results of our peer group and some of the other public sector banks, our Y-o-Y dip in the CASA ratio is comparatively less than the other banks and we are making all efforts to improve our CASA portfolio.

In terms of the advances, our advances growth has been muted at 7.48% due to bank's strategic decision to enhance our ability to rapidly changing market conditions, which is of the high-interest rate scenario on the retail term deposits and the rate war that is going on in the corporate advances segment. This quarter we have focused on RAM growth and that is why our retail has shown a moderately healthy growth of 15.54%, Agri has grown by 6.12%, which in September was only 2.32%. MSME also has grown at 12.84%, in September it was only 7.63%. The RAM percentage has improved from 49.47% to 51.46% on a Y-o-Y basis. The corporate book which had grown at 12.81% last quarter has now grown at 3.25% mainly due to the reasons that I earlier conveyed. The core fee income has increased by 35.29%. The yield on investment is also at a healthy level of 6.84% which is again better than most of the public sector banks. The provision coverage ratio stands at 88.16%. It has a slight dip and we'd like to scale it further to towards 89%.

In terms of asset quality, our fresh slippages have been contained at Rs.228 crores, the lowest in the last four quarters and compared to the Rs.340 crores in the previous quarter. So, the slippage ratio has been contained at a reasonable level of 0.30% and over a nine-month period it is 1%, which is aligned with our overall guidance of below 1.25% for the entire year. Our SMA 2 book above Rs.5 crore has also shown improvement and has been reduced to Rs.201 crore from Rs.407 crore in last quarter. The net profit has declined to Rs.114 crore from Rs.189 crore last quarter, primarily due to the additional provision of Rs.150 crores towards wage revision and the overall impact on the interest rate on the deposit side. The one point I would like to mention here is that, our sequential cost of deposit has increased slightly by 3 bps but compared to that our yield on advances has increased much more substantially on a sequential basis. So, we were able to improve our NII on a sequential basis much better than what we were doing in the previous quarters and we would like to continue this in the future as well. The capital adequacy has been reduced to 16.13%. This is primarily due to the impact of 81 bps due to the RBI circular on increasing the risk-weight assets on NBFCs. Otherwise, we are still at a healthy position of 16.13%. So, that was all from my side, in terms of my opening remarks and the floor is now open for questions. Thank you.

Marshall - During the current quarter ended March 2024, how much recovery do you foresee from our NCLT or other bad debts written off cases?

Swarup Kumar Saha - We expect around Rs.350 crores to Rs.400 crores to be recovered.

Marshall - How do you see our demand picking up in terms of our advances?

Swarup Kumar Saha - We know that we are in a very, very dynamic ecosystem and therefore the credit growth is a part of that. As a bank, which has a constraint on the low interest-bearing liability side, we are very careful in improving or augmenting our credit growth. Overall we are trying to rebalance our portfolio in such a way that we are more focused on the bottom line and we are able to protect our NIMs and other profitability ratios. So, in this quarter, we are looking for a credit growth of at least around 6% to 8% range.

Marshall - In terms of NIM, what kind of growth you are looking forward to?

Swarup Kumar Saha - The nine months NIM is at 2.50% and we would like to have it at around 2.50% to 2.55%.

Marshall - What are your plans in terms of capital raising and the QIP?

Swarup Kumar Saha - We had also planned to raise an amount of Rs.250 crores last year but we feel that the time was not correct for us. So, now that we have declared our results we will go back to our capital planning committee very shortly and we will announce as soon as we decide on the quantum and the timing of the issue. As of now, our capital adequacy at 16.13% is still very healthy and comfortable. So, we will wait for the opportune time but we will announce it as soon as we decide on the quantum.

Marshall - So, do we have the enabling resolution in place, or you have to float the new resolution?

Swarup Kumar Saha - No, those things we will be floating afresh.

Moderator - Thank you, sir. We have our next question from Ms. Neha Shah, an Individual Investor. Sir, there are two questions. One, can you throw some light on what has led to NII contraction of 8.20% Y-o-Y? Do you see any pressure on NIMs in the coming quarters? Second question, the total business and advances for the quarter has increased by around 7.5%, whether this growth rate will be sustainable?

Swarup Kumar Saha - The NIM has reduced on Y-o-Y basis, as I told in my opening remarks, because of the interest rate movement on the retail term deposit side, the migration of funds from the CASA to the retail term deposits and also the market dynamics of credit which is showing that there is a price war in the market regarding what should be the optimum level for the pricing on the asset side. So as a bank, we thought it was not prudent for us to go aggressively on the advance top line and protect our bottom line. Therefore, the contraction of some of my income is due to that and also that we are not aggressively moving towards low-yielding assets. So, therefore, we had rebalanced our portfolio but if you see our sequential performance, you'll find that there is an improvement in our NIM also and we would like to maintain it, as I said earlier, at between 2.50% to 2.55%. As far as the business growth of 7.84%, I think it is sustainable and we'd like to continue with it, between 8% to 10%.

Saket Kapoor - There is a significant increase in the interest expenses. So, if you could just give us some color on the repricing of our liability franchise for the quarter and going ahead, how much more of it is left to be done? Also, for our advances, what's the target, what is our current yield on advances and what are we contemplating for Q4 going ahead? On the free float part, what is the message from the government in terms of our maintaining the norms for the free float?

Swarup Kumar Saha - As far as the interest expenses are concerned, yes, there are two components to the interest expenses. One is on the deposit side and one is on the other side, which is particularly on the borrowing side. So, we have been trying to augment our credit on a mix of liabilities and a mix of borrowings. As the pricing escalation happened in the market, the migration of some of our low-cost CASA has moved to the retail term deposits. But the good part is that, as I said in my opening remarks, if you see our cost of deposit and you compare it with the yield on advances, you'll find that incrementally, my cost of deposit has only moved by 3 bps while my yield on advances has moved by 29 bps. So that's the message that we like to give. We'll continue to grow qualitatively, keeping focus particularly on our bottom line.

So the component was balanced between interest rate on term deposits and interest rate on borrowings. Our deposits have migrated, as I said, but we have been able to contain it much like the other banks. If you observe the position of other banks, the sequential increase in the cost of deposit has been much higher than us and in fact, our sequential increase in our yield on advances has also been higher than the other banks. So, on a comparative basis, at least for this quarter, we find that we have been able to manage our NII in a better way and that's how our NII also came on a positive territory on a sequential basis. Regarding the messaging of the government side, of course, there is no message. We will announce it, if there is any. As of now, we don't have anything to share on that part.

Moderator - Thank you, sir. We will move on to the next question from Mr. Nitin Gandhi. He has two questions, one, what is the rationale for the increase in unrated instrument 7.2% to 10.1% and what is the yield? Second, if you could share your thought process for the cost-of-income ratio as it is high at 75%?

Swarup Kumar Saha - As far as the cost-to-income ratio is concerned, this has been high because of the one exceptional item of Rs.150 crores that triggered this increase in the cost-to-income ratio. If we take out this exception item, then our cost-to-income ratio comes at around 65.20%. For the other question regarding the unrated accounts, see overall, that happens on dynamics of our daily loan book and I think overall, you will find that BBB and above has increased and the BB and below has declined. So, our quality loan book is maintained. As far as the unrated accounts are concerned, these are normal fluctuations that happen in any circumstances.

Ashok Ajmera - Sir, our profit has got really impacted in this quarter after doing well up to the last quarter and our employee cost has gone up by Rs.114 crore, which is mainly because of the increase in the rate of the wage settlement. So, can you give the calculation for that as to how much provision we were making in earlier two quarters and what is the impact in this quarter and all the three quarters together, sir?

Swarup Kumar Saha - See, we were making 12%. So additionally, we made Rs.150 crores for this quarter and this has taken care of our wage revision impact.

Ashok Ajmera - Last time also I had asked on the provision for tax. So we continued in the old regime and I think our DTA assets balance is Rs.1,658 crore as per the note. Our provision for tax was Rs.106 crore in the last quarter and has come down to Rs.66 crore, maybe because of the less profit. Can you elaborate on the total tax calculation and going forward for the whole of 2024, what will be the situation on this tax front?

Mahima Agarwal – Yes, Provision for tax has come down due to decline in the profit of the Bank. For 2024, the provision for tax will depend on the performance of the Bank.

Ashok Ajmera - You are following the old tax regime?

Mahima Agarwal – Yes

Ashok Ajmera - As per note number 12 our SR total has increased to Rs.96.63 crore, which is 100% provided for, but there is rating withdrawn SR of Rs.73.67 crore. So, which is the new SR added and whether this is NARCL or any other ARC?

Mahima Agarwal - SREI realization has happened and due to that we have received SR.

Ashok Ajmera - NARCL or other ARC?

Swarup Kumar Saha – NARCL

Ashok Ajmera - So it means it is government-guaranteed SR, isn't it?

Swarup Kumar Saha - No, this is not government guaranteed. This resolution didn't happen under a government guarantee.

Ashok Ajmera - That is why we provided for 100%?

Swarup Kumar Saha - This resolution was an exception because NARCL bidded as an ARC. It was not through the NCLT resolution. So, there's a technicality in this. This SR of NARCL for SREI resolution is not a government backed guarantee.

Ashok Ajmera - On the credit growth and the resultant income, what are your views now? Going forward what is your planning for the increase in the credit? Can we think little beyond that and can you give some color on the expected credit growth in the next quarter?

Swarup Kumar Saha - As far as the guidance is concerned, I gave an overall guidance of this quarter around 6% to 8% but to answer your question, in totality in terms of the future planning of the bank, we are a bank which will continue to focus on our revenue-generating assets, which will give me more returns. As a bank, we know that in the market the credit growth is happening at a steep rate decline. Meaning that there's a lot of price war that is going on and for a bank of my size and my liability resources it is not prudent for the bank to aggressively lend at a rate, which is much lower than the rate of the cost of deposit that we are gathering every day. The markets are lending at much below the cost of deposit that we are mobilizing at this point of time. So that is not remunerative at all and I don't have that legacy strength on my books, on my retail term deposit, on my CASA, which can augment that aggressive credit growth, that is happening in the industry.

Therefore, we have to play along with our legacy and our business models. Our business model, as a small and beautiful bank will be a bit different as compared to the other banks. As you all know, we have upgraded our Finacle, which was a big achievement in this quarter. We are now very upbeat on how we can leverage this upgraded technological platform. We have upgraded to the Finacle 10 version, which will enable us to provide services at par with any other banks on the credit side, whether it is on using API-linked credit underwriting engines, whether it is pre-approved personal loans, whether it is pre-approved housing or vehicle loans, ACCs, agriculture, Mudras. So, all these sorts of avenues are now going to increase for the bank.

Now any migration of such a big nature requires two, three months of handholding in terms of stability. I'm happy to share with you that the Finacle 10 has been stabilized to a large extent and now we are having a base platform where we can collaborate with Fintech, collaborate with other agencies, NBFCs, where we can do lots of digital lending within the RBI guidelines. So that is what we are looking for and we will create our own niche segments in the country. Our geographical spread is still North based, so we need to expand to the other areas of the country. As we upgrade our technology, our digital services and value-added services, we'll be able to do much more technology-driven services, which will help the bank to grow its balance sheet.

We are doing core lending in a big way. We look into the assignment of pools also in the coming future because now we are trying to integrate the API. So, we'll have the possibility of having an assignment of pools that other banks are also doing but we'll also focus on some of our key products like GST lending products, personal loans. We have an excellent personal loan product and gold loan product, which is having a lot of traction. If you can see my presentation, my gold loan is increasing at around 35%. The personal loans are also increasing handsomely. So, we will continue to focus on this and we are tweaking our products to suit the current environment.

In the agriculture sector also, we have concentrated on warehouse receipt financing, on farm mechanization, food processing organizations. So, overall, we are now focusing on these segments. Our RAM percentage has now gone up to 51%. We'd like to take it up between 53% to 54% by the end of this March and scale it up to around 60% in the next financial year. So that would be the overall macro dynamics of our bank's credit growth.

Moderator - Thank you, sir. There is a slight clarification from Nitin Gandhi from KIFS Securities. As an exceptional item of Rs.150 crores, will it continue to Q4 and the next year?

Swarup Kumar Saha - No, that would not be to that extent, because we have fully provided for the wage increase. So that will stabilize in the coming quarters. It will not be to the level which was in Q3.

Moderator - Thank you, sir. Our next question is from Mr. Saket Kapoor. Sir, request you to please go ahead with your question

Saket Kapoor - Sir, pardon me, have you mentioned about what is our CD ratio currently for this quarter?

Swarup Kumar Saha - 70.60%.

Saket Kapoor - What are the likely target going ahead?

Swarup Kumar Saha - You must be reading in the newspapers on the CD ratio component and how the RBI is cautioning the banks overall on a macro basis. So, we will not go overboard in our endeavor to increase our CD ratio. We will do whatever makes bank's business profitable. The bottom line would be, it's profitable business that the bank will continue to do. To that extent, whatever CD ratio is to be maintained, we will continue to maintain but I foresee by the March quarter we'll be around 71% to 72%.

Saket Kapoor - Sir, for the treasury part, I think there was a very strong reaction from the bond market today also post the vote on account by our honorable finance minister. Sir, how would this change the dynamics going ahead? If we see, the bond yield is trending in a band lower to 7%, something in the vicinity of 6.5% to 7%, what will change for banking space? I think there will be one-time gain on your treasury book going ahead from MTM. Other than that, how will it change the landscape for you in terms of NIM and other things, sir?

Swarup Kumar Saha - Thanks. I'm very happy you have asked this question on a very appropriate day today. Yes, the MTM, it plays a big factor in our overall balance sheet management of any bank per se. With the downward yield movement as we have seen today and the expectation that we have over a potential fed cut of 75 bps, a potential repo cut going forward, we feel that it will have a very good impact on our overall operating profits, on our cost-to-income ratio and that will also change the dynamics of every bank's balance sheet. For a bank of our size, we are also providing on a depreciation basis every quarter on the MTM due to the yield movements, in Q3 there was some correction, so we got some benefit out of it.

We look forward to some handsome benefits that we can get over the Q4 and going forward, if everything goes okay as the predictions are. We expect the dynamics of the balance sheet will change quite dramatically. If whatever you are saying i.e. 6.5% to 7%, if that happens and there is a possibility that it can happen, but the timing of it needs to be looked into. The ecosystem, the dynamics are all now moving to the positive direction of further rate cut. In fact, without a rate cut, the yields have moved today by around 8 bps. This shows that we have lot of things in store in the coming future and as the things play on, we will be positively impacted by this development.

Saket Kapoor - But sir, will it affect the NIM also going ahead or the cost of fund will also go down and things will get realigned, that is what you are trying to say?

Swarup Kumar Saha - Yes, it will get realigned, but the timing is not known, some say June, some September, I personally feel it should be around Q1 or Q2. As soon as a rate cut happens, i'm talking of domestically, the impact on our EBLR rate- linked loans will be immediate. We have 46% of our portfolio linked with the EBLR and how much will be impacted in the next financial year, depends on the timing of the rate cut as it has to be transmitted on a T plus 1 basis. Overall, the futuristic things will also play its role with a positive yield movement. It will balance out in some way and we will be able to, maybe, book more income on the interest side, if we play our cards well. If you see, our yield on investments at this point of time is at 6.84%, which is pretty good compared to the market, other banks, particularly the public sector banks. So, we hope that this is going to play out positively for us.

Marshall - In provision, if you see the numbers, it is Rs.96 crore provision, this is, in spite, of NPA reversal of Rs.320 crores. It means in actual we have provided for Rs.416 crore. So, can you please define that? What are those like particular items?

Swarup Kumar Saha - Yes, it is primarily the SREI resolution that has happened. The conversion of the debt to equity. We are holding the 100% provision in SREI. So that has moved from NPA to NPI. That is the provisional write-back on the NPA that got reduced and so, the NPA got reduced by conversion of that quantum to certain equity instruments and SRs. So, the 100% provision continues to remain in our books in the treasury, now. That is the difference.

Marshall - My question is that in our actual terms, our provision was Rs.416 crores. Rs.416 crore minus Rs.320 crore net is Rs.96 crore. So, I'm asking what is the breakup of Rs.416 crore, which is too high?

Mahima Agarwal – We got reversal in NPA but in treasury, we have to make provision. In investment, if it is NPI then we have to make 100% provision in that. It is a provision investment that is Rs.416 crores.

Marshall - Okay. So, you are saying it's almost nullifying?

Swarup Kumar Saha – Yes, the bottom line has not been impacted by that.

Marshall - So, what has been the story of SREI finally, has it been resolved now?

Swarup Kumar Saha - It has been resolved now

Marshall - So, who has purchased and did we get sales or what now, what happened to this one?

Swarup Kumar Saha - NARCL has purchased it.

Marshall – Okay, you have got some shares?

Swarup Kumar Saha - We got upfront some cash, some SRs, some OCDs and some NCDs.

Marshall – Okay, so this Rs.96 crore has come because of the SREI, right?

Swarup Kumar Saha – Yes

Marshall - So this will not be repeated in the next quarter?

Swarup Kumar Saha – No.

Marshall – In the previous quarter we had Rs.35 crore minus and this quarter we have Rs.96 crore plus in provision. So, you are saying that in March quarter, it will not be that high amount, or it will be minus only, right?

Swarup Kumar Saha - Yes. This was a big resolution. So, the impact was like that but in the next quarters this particular exception will not be there.

Marshall - Okay. My second question is regarding treasury income, treasury income has almost halved by 50% and it is Rs.65 crore down. So, what is the reason and what action you are taking to fix it so that this kind of surprise doesn't occur in the subsequent quarters?

Swarup Kumar Saha - It was not a surprise per se because we had some redemption of securities in this quarter which had an impact. Overall, now the things will pan out with the movement of the yields. Treasury, in fact, if you see our books, one year ahead treasury has contributed very handsomely. Being a small book, we are hit by the dynamics of the market, of course. Now that everything is moving towards a positive environment for treasury business, we think that treasury will now come back the way it had contributed in the earlier years. Treasury moves in a cyclical order and it has its own dynamics. So, now we are in a positive environment and from Q4 onwards you will find that change happening.

Mahima Agarwal - One thing I want to add here, some accounts are being upgraded in the form of investment, so we have to provide MTM in that as well.

Swarup Kumar Saha - If you see per se the standalone basis on treasury functioning, it doesn't reflect the overall performance that is depicted in the presentation. The amount, one of the major components of the negativity is due to the upgradation of NPA account to standard account, which had an equity component. So, for the equity component, the provision has moved from the below the line to above the line. So that it also impacting our operating profits.

Sushil Choksey - You implemented Finacle 10. What are we doing about human resource, which is a big enabler to operate technology and connect to the customer?

Swarup Kumar Saha - Very important point. Today, if any organization has two important things to address, two axis of development in terms of today's environment, one is technology and the second is HR. I would also like to mention that we have also upgraded the treasury solution recently, so that will also give a fillip to my overall treasury functioning. Regarding the HR side, we will be taking on our internal processes for HR transformation, where the inbuilt capacity will be determined. We have already started through a very reputed institution, the process of succession planning and competency mapping. The process has started in January and we will be able to get some insight on future plan. We are taking lot of pain in terms of training our people, particularly on project finances, infrastructure finances. We are tied up with various reputed training institutes which are giving training to our people on specialized advanced level of credit.

In general, in terms of managing optimally the overall productivity of our employees, we will be bringing out the HR transformation exercise. This will have the performance management tools, the training requirements, the transfers, postings and everything will be based on a latest version of what is happening in the industry. In fact, we are also sending our top executives to the training curriculum that FSIB has for all the Bank's. Last year, we had six of our top executives who have joined the FSIB training. This year again, we will be having at least four of our top executives, who will be attending this training. It will be the best-in-class in training and they will be able to understand the dynamics of where they stand compared to their peers. We are giving lot of focus on this and this Q4 & the next year FY '24, our main area would be, as we leverage our technology that we have upgraded for our business purpose, going on a transformation exercise on HR side. So that will play its role in the coming period of time.

Sushil Choksey - So what is the Capex on technology including this Finacle upgrade?

Mahima Agarwal - The total cost of Finacle 10 was around Rs.190 crores.

Sushil Choksey - What is your undisbursed loans, which you've sanctioned in last 30 days or 45 days?

Swarup Kumar Saha - My GM Corporate Credit, Mr. Rajesh Pandey will answer this?

Rajesh C. Pandey - Sir, it's around Rs.500 crore. All the loans are disbursed, except infrastructure loans.

Sushil Choksey - Do you think your new recruitment for various programs in retail or wholesale banking or treasury, new software, all this transformation will be achieved by December 2024 or it will spill over to next year?

Swarup Kumar Saha - See, there are many aspects to this. The milestones are all segregated. With respect to products, giving value-added services and leveraging technology we foresee those by September. By September we will be able to be on the ground with those value-added products. In terms of the HR, we will be not only doing training programs for the top leadership, we'll also be now focused on some lateral movement at the key positions. In fact, we are taking laterally on the CXO position, we have already completed the process of recruitment of CCO, CFO and CTO. So, we are having four CXO positions on outside contract basis as the CRO is already there. The other three CXO positions will be occupied maybe by April as they all have to come from various organizations where they have given their resignations. It takes two to three months' time for them to come on board. Once we have the CXO's with us, wherever we find there are gaps in the competency, in the specialized verticals, we'll not only promote our internal staff members and have trainings to occupy those positions based on the succession plan exercise being done by our reputed institute, we'll also like to have lateral movement of people within the bank. This will also give a good balance of experience and efficiency. So, these things will translate in the next year. This entire period will be utilized for HR issues only primarily.

Sushil Choksey - Sir, my next question is based on today's interim budget, I don't know whether you had chance to view it or not or hear the pointers, but the bond market would have given you a clear indicator, where we are headed. Based on yesterday's FOMC statement and today's budget, the yield is definitely showing that public sector banks are here to enjoy some benefit in the current quarter and maybe in '24. How are you positioned to reap that harvest because our CD ratio, NIMs, CASA needs a lot of improvement? So maybe today you have surplus treasury, which may have a big benefit if your credit growth is likely to happen.

Swarup Kumar Saha - I have answered this in some way in a previous question. Yes, we are looking forward to that period where we will be able to leverage on this movement of the yields and overall. There'll be a positive impact on our profitability and depending on how it moves, some will be booked in Q4, maybe some will be done next year. In fact, there is another important RBI circular, which has revised the valuations and the operations of treasury department with effect from 1st April. So, those things will also be kept in line when we do our treasury functioning from the next quarter onwards.

Sushil Choksey - With your experience in treasury, which I'm aware of from previous banks, do you see in the current quarter the bond market will be at 7, or it will range between 7 and 7.30?

Swarup Kumar Saha - Overall, I feel that as the environment is moving towards a positive with the Fed giving certain good indicators on their fiscal positions, etc and today also the government announced the interim budget with talks of fiscal consolidation. I think the overall environment is taking it at least to the 7 level, if not below 7, that I can positively say. Only one factor that will come in between is our next MPC that is going to happen next month. If the RBI plays in a cautionary manner to have more data, maybe the rate cuts will happen somewhere in Q1 or Q2 next year. In the current context of where we are, to answer your question specifically, as far as Q4 is concerned, I think we are at around 7.04 to 7.05 as I saw the last movement. It shall cut at 7 or it may fractionally go below 7 also, if everything goes okay.

Sushil Choksey - My next question is, as your technology and human resource are coming in a positive way, technology is already an enabler, human resource you spend money. It's a matter of time between new recruitment and the current resources, what you have. Every banker in town, whether it be public sector or private sector is talking about co-lending, co-branded businesses, co- lending. Specifically looking at your area of business and where connectivity is in Northern India, how are we capitalizing on those initiatives, because you are ready for a lot of things, is that part also being worked on?

Swarup Kumar Saha - We are very upbeat on co-lending. Let me be very candid on this. Our co-lending portfolio is around Rs.1800 crores and we have multiple partners today in co-lending. We have more than 10 partners today in terms of co- lending and we continue to explore that opportunity, both on the priority side and on the non-priority side. Last year we had priority co-lending. This year we have taken all the necessary approvals of the board, etc, to do non-priority co-lending. So, now that will get a fillip in terms of our co-lending business. That's very much in the agenda and we are aggressively pursuing that. The direct assignment route, we are exploring because our technological preparedness has to go a bit further ahead. We are waiting prepared but a bit further ahead. So, we'll take some cautionary view before we actually go full hog on taking the assignment route also, but co-lending, yes, very much on the cards.

Moderator - Thank you, sir. As there are no further questions from the participants, we now conclude this conference. On behalf of Punjab & Sind Bank, I thank each one of you for joining the conference call today. You may now disconnect your lines. Thank you.

Swarup Kumar Saha - Thank you all for joining this conference.