



“Jammu and Kashmir Bank Q2 FY15 Earnings Conference Call”

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Operator: Ladies and gentlemen, good day and welcome to Jammu and Kashmir Bank Q2 FY15 Earnings Conference Call hosted by SBICAP Securities Limited. As a reminder, all participants' lines 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 *, then 0 on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Divyanshi Dayanand of SBICAP Securities. Thank you and over to you, ma'am.

Divyanshi Dayanand: Thanks, Amba. On behalf of SBICAP Securities, I welcome you all for 2Q FY15 earnings call of J&K Bank. The management is represented by Mr. Mushtaq Ahmad, Chairman and CEO and Mr. Parvez Ahmad, Executive President of J&K Bank. I now hand over the call to Mr. Ahmad. Thanks and over to you, sir.

Mushtaq Ahmad: Thank you very much. Good afternoon to everybody. This is again a matter of privilege and pleasure for me to participate in this con call. The results of past two quarters have not remained that pleasant, but when you compare our quarter two results with quarter one, still we find that there is an improvement because the net has increased by around 35% as compared to quarter one, but the result has remained subdued when compared to our past around 12 to 14 quarters. And as compared to last year's quarter, there is a dip of 43% in the net mainly because there has been slippage and NPS increased in the first quarter itself and there remained some stress on **[Indiscernible-0:01:59]** accounts and also, you know, that everybody is quite aware that a great havoc has been caused by the devastating floods in Srinagar, Kashmir particularly. Operations in Kashmir went out of gear for almost 5 to 6 weeks and we were busy for bringing these operations back on track. Branches were made operational in two weeks' time. Proudly I should say that mainly we couldn't depend much of the business and other developmental activities because we were mainly with the stabilizing things, bringing on track operations, branch, ATM network and all that. But again I think it was quite appreciable on the part of the entire management team of J&K and the entire staff of J&K that in a period of two to three weeks, I should say that things were back on track. I should also give just a small geographical spread of our previous portfolio. In Kashmir valley we have requisite portfolio of 14,000 crores and two zones of the valley were mainly impacted that is central zone, central zone which is comprising of three districts that is the Srinagar district, Bargam and Ganderbal and south zone which comprises of Shopian, Pulwama, Kulgam and Anantnag districts these were mainly hit and out of total portfolio 14,000 crores around we had **[Inaudible-0:03:44]** estimates that 4000-crore business would be impacted and we were expecting that we would be restructuring of around 3000 to 4000 crores. But now the latest estimates say that the restructuring portfolio would be, say, within the band of 1200 crores to 1500 crores mainly because the insurance companies were very active and also there was intervention from the State High Court and the claims were quickly settled and total claims received as far as J&K Bank is concerned was something like 7900. And you will be pleased to know that out of 7900, 7500 claims have been settled and with an amount of, say, around 340 crores, but that has lessened and reduced the burden pressure on

restructuring portfolio of J&K Bank. And now initially when we anticipated about 3000 to 4000 crores, it is now substantially around 1200 to 1500 crores. Now, again coming back to this, I think numbers are with everybody, but I will just like to explain the figures which I'm sure are already with you. The first advances year-on-year basis increased just by 10% and then net interest income increased by again 9%, but then there was operating profit has gone down by around 13% because of some expenditure also and net profit when compared to last year's 300 was only 172 for this quarter, last quarter I'm talking. So it is down by around 43% and gross NPAs those were last year 708 only, but this year we find that this is around, say, 2200 and in the first quarter itself it was around 1900 crores. So there has been some more slippage this quarter, but no major slippage is there. These are small accounts, but mainly I should say that it's not that our attention has, as I mentioned today, mainly totally diverted towards this bringing back operations in J&K state and as a result of that, we couldn't attend much as far as recovery is concerned. But still one important thing is that out of this slippage that has happened in the current quarter, already around Rs. 70 to Rs. 80 crores are lined up for recovery and I'm sure within next 15 days we'll be in a position to upgrade those accounts. As far as net PAs are concerned, again this is against 1.70 last year it 4.73. The net NPA is 2.46% and PA coverage ratio is 55%, but actually when we calculate our requirements as per RBI norms, we are supposed to have provisions to the extent of 832 crores, that's 46%, but we are maintaining a provision of 1045 crores that means we have excess provision of 212 crores as required by under RBI provisions. The other part is that last time, you know, that CASA ration as compared to last September it has increased by more than 1%, that's a healthy sign and CD ratio of the bank has also gone up from 67% to 71.5%. As far as net interest margin is concerned, last time due to reversal of some interest income we registered this net interest margin of 3.63%, but this time it has again jumped to 4% and as committed earlier, we are striving, we are hopeful that we will be in a position to manage and maintain this net interest margin around 4%. Then another thing I think where you would need us to explain is about that cross to income ratio, last year it was 36% and this year it has jumped to 44%, but it is on account of two things. The first thing is that 81 crores is on account of establishment expenses like we had to provide for terminal benefits to the extent of 30 crores and another 50 crores on account of DA plus normal increment and plus that special Platinum Jubilee increment that we have granted and over and above some contractual employees were regularized and as a result of that naturally their salaries went up and other than that we had to create a provision of around 22 crores for CSR under this company law. Other than this, I should also share with you that as far as restructured book is concerned, as on 30th of June 2014, that is first quarter, we had a 542 accounts under restructured book amounting and the total outstanding under this book was 1390 crores. But second quarter the number of accounts have come down by 50 that's from 542 is now 493 and the amount is also down say around 120 crores, now it is 1269 crores, so this is a positive sign and within these accounts only 11 accounts with an amount of 370 crores, 70 crores are under this CDR mechanism. These are the things that I have to share with you, other than that, as far as restructuring under that special package for the flood affected areas are concerned, we have so far received around 3300 cases where we have requested for facility of 830 crores and we have already sanctioned out of that around 50% of the cash that is 1607 with the amount involvement to the extent of 164 crores and

so far we have only 1700 cases pending where as the involvement would be, say, 666 crores and this is going to be the scenario. So whatever anticipation we had are apprehensive that this restructured book would go up and that is going to cost much burden, pressure on the book. I think that is already addressed and those apprehensions are over.

Another thing within this I think this situation, flood-affected situation is concerned, of course, there has been some threat which we mentioned that restructured book and all that, but now there are greater opportunities also because of lot of reconstruction is taking place and also roads, buildings, bridge, other infrastructure has to be built up where there is huge demand for credit and that would again give us an opportunity to expand our credit book, loan book and I had committed that within J&K state we would be in a position to show attractive growth of 25% to 30%. I would say for the next six months it would not be possible around 20%, but on the whole I think we will be in a position to register growth of 30% and also that state government has already sent a special package to the central government for 44,000 crores and that money if accepted and approved fully is going to be passed back into the state's economy and that would be a big booster for the industry in the state particularly for the banking industry and the major beneficiary is going to be J&K Bank because of its share in the loan book and overall business it is catering in the state. So these are the things that I wanted to share with you. So I think let's have some sort of question and answer and interaction.

Operator: Sir, may we begin the question and answer session?

Mushtaq Ahmad: Yes.

Operator: Thank you. Ladies and gentlemen, we will now begin the question and answer session. Anyone who wishes to ask a question may press * and 1 on their touchtone telephone. If you wish to remove yourself from the question queue, you may press * and 2. Participants are also requested to use only handsets while asking a question. Anyone who has a question may press * and 1. Ladies and gentlemen, we will wait for a moment while the question queue assembles. Anyone who has a question may press * and 1. Our first question is from Ashish Sharma of Enam Asset Management. Please go ahead.

Ashish Sharma: Yes. Hi. Good evening, sir. Sir, on this restructuring from the flood if I understood what you said is that as of now you have sort of received around 830 crores of cashes for restructuring, of which around 163 crores you have already restructured, but the pending will get sort of restructured in this third or fourth quarter?

Mushtaq Ahmad: No. We have so far received 3300 applications and the amount involved there is 830 crores. We have already sanctioned 1607 cashes involving an amount of 164 crores and pending amount is 1704 cashes and 666 crores of this amount.

Ashish Sharma: Yes. But this 164 is already part of the restructured book which you have reported in Q2?

- Mushtaq Ahmad:** No. I don't think it would be part of that; it will be subsequent to that.
- Ashish Sharma:** Okay. So it'll come in the subsequent quarters?
- Mushtaq Ahmad:** Yes.
- Ashish Sharma:** Okay. And overall you were mentioning now that...
- Mushtaq Ahmad:** I should say this is not about cashes we have sanctioned, this would not be all the structured book there because we have allowed some normal facilities to these borrowers and I think that is also included in it. So let's say even if it is 164, that would be part of your third quarters.
- Ashish Sharma:** But overall you expect, maybe, around 1200 crores sort of restructuring from this flood-affected issues?
- Mushtaq Ahmad:** We have so far received only 830 crores and maximum people have filed, but let's expect that another 400 to 700 crores could be there, so on the base of very safe assumption would be there and it should be within the range of 1200 crores to 1500 crores.
- Ashish Sharma:** Okay. Just from a RBI dispensation point of view, will this be part of the restructured book or separate dispensation is provided in this case of a natural calamity, how do you sort of read this book, sir?
- Mushtaq Ahmad:** The first thing is that this restructuring there is only special concession as far as monetarium is concerned and repayment is concerned. Monetarium would be there for two years and also interest repayment and term loan repayment and also thereafter this repayment which would be started over a period of three years to five years to seven years as the case would be, so there full damage, there could be partial damage and all that, so based on that otherwise also there was also a request from the state loan bankers committee that there should be no provision, but in the larger interest of the institution and the industry, we also thought that this would not be a general demand. The Reserve Bank of India also said that it should not be there. So we are also going to provide for this restructured book, so it's like that. As far as provisioning is concerned, it is going to be normal as per the RBI guideline, but there is realization special dispensation as far as monetarium is concerned and repayment is concerned.
- Ashish Sharma:** Okay. And second question would be on the slippages for this quarter. We had a slippage of around 377 crores, does it pertain...?
- Mushtaq Ahmad:** It should be only 300 crores.
- Ashish Sharma:** Sorry, sir?
- Mushtaq Ahmad:** It should be 300 crores, not 377.

- Ashish Sharma:** Okay. The press release says it's 377 crores.
- Mushtaq Ahmad:** 277 it should be.
- Ashish Sharma:** Okay. Just wondering any specific account or?
- Mushtaq Ahmad:** No. I think there would not be any specific big account. There is no large account. I think the biggest account would be around 50 crores, 36 crores and then again lot of recoveries were badly affected as far as Kashmir is concerned.
- Ashish Sharma:** Okay. And, sir, last time when we had a word on this HDL case where you had provided provisioning you mentioned that we could see sort of a write-back on that account, have we sort of taken that write-back just on the provisioning expenses part, I mean, overall what sort of a credit guidance we should work with because we haven't seen any sort of a write-back in this quarter which would...?
- Mushtaq Ahmad:** No. I think we were expecting and there is some still difficulty as far as RBI is concerned. We are pursuing them and we had expectations that we would be in a position to upgrade the account in the second quarter itself, we are making efforts; we do. It could be in this third quarter and the fourth quarters over the course that we are making.
- Ashish Sharma:** Okay, sir. Perfect, sir. And just lastly on the agriculture portfolio, sir. I mean, in terms of asset quality performance, I mean, with this natural calamity do you expect the NPAs in the agriculture portfolio to sort of increase, I mean, how do you expect it to sort of behave, sir?
- Mushtaq Ahmad:** No. I think, as far as horticulture is concerned, we mentioned that mainly two zones have been affected and this is mainly relating to trade and industry. Just partially even these horticulture and agriculture has been also impacted and that is also a part of the package, so wherever you have any stress on those, so those will be under normal this package.
- Ashish Sharma:** Okay, sir. Okay. Perfect, sir. Thank you.
- Mushtaq Ahmad:** Thanks.
- Operator:** Thank you. Our next question is from Vinay Arya of E&R Advisors. Please go ahead.
- Vinay Arya:** Good evening, sir. Thanks for taking my question. I just wanted to know whenever the fresh credit starts, you know, being sanctioned, what is the kind of, you know, hits on yields do you expect or will there be any hit on yield or not?
- Mushtaq Ahmad:** As far as restructured book is concerned, well, that has to be on the base rate only and naturally if your interest rate previously was, say, around 12%, 11.5% so that has to be now around 10.25% that's our base rate. So when we say about the restructured book it would be within the

band of 1200 crores to 1500 crores that would be, say, where you have to sacrifice interest to an extent that it has to be at par with the base rate. But whatever fresh loans you are going to give that has to be on existing rate.

Vinay Arya: Okay. And, sir, in our fresh restructuring that came in this quarter of around 130 crores this was one, you know, was there any bigger account in this or?

Mushtaq Ahmad: Which restructuring?

Vinay Arya: The fresh restructuring this quarter?

Mushtaq Ahmad: No. Smaller accounts that restructured book has [Unclear-0:20:59], say, 121 crores.

Vinay Arya: Yes. That is on the net basis, so that is because some upgradations and all happened. But because of the fresh restructuring that was there in this...

Mushtaq Ahmad: Nothing major.

Vinay Arya: Nothing major? Okay. And, sir, what was the slippage from restructuring to NPA this quarter?

Mushtaq Ahmad: No, NPA if you see, I think around last quarter that is 30th June I think there has not been much of slippage. The outstanding amount at that time was 153.54 crores and this time it is 160 crores, but the number of accounts remain the same. So it clearly indicates that there has been no slippage.

Vinay Arya: Okay. All right. Thank you, sir.

Mushtaq Ahmad: Thanks.

Operator: Thank you. Our next question is from Jigar Walia of OHM Group. Please go ahead.

Jigar Walia: Good evening to the entire team and, sir, congratulations good numbers in the considering the floods and the difficult times. Sir, if you could update us on REI Agro Bhushan and were there any additional provisions made for REI, what's the status right now?

Mushtaq Ahmad: See, as far as REI is concerned, there are 21 banks and total exposure is 7000 crores, out of that J&K Bank is 700 crores which has two components, one directly on the balance sheet of REI Agro and the other one is through GLG whilst we have corporate guarantee from REI Agro. So still it is under CDR and CDR had referred for stock audit that has been done and they had got this forensic audit is done. So there are certain observations from the forensic auditors and that has been evaluated, examined by the GLF and it is still at that stage once they approved and thereafter they will take a call about restructuring. And finally it has to be referred to the CDR for that restructured mechanisms if it is accepted.

- Jigar Walia:** Sir, based on the observations you feel that this can go for restructuring?
- Mushtaq Ahmad:** See, I am not aware of the observations because basically still it is with [Indiscernible-0:23:34] bank. For certain issues we have to be started out before restructuring, but then the company has to come out and convince and satisfy the GLF for moving forward.
- Jigar Walia:** Okay. And HDI you also expect to be regularized in Q3 or Q4 [multiple speakers]?
- Mushtaq Ahmad:** We do expect that otherwise also collateral backup is very strong. We have an exposure of on the whole 400 crores, for security backup plus 900.
- Jigar Walia:** Okay. And, sir, just one clarification. On the fresh slippages and the fresh restructuring there were no lumpy corporate accounts this time; it was mainly the smaller accounts.
- Mushtaq Ahmad:** No. Not much. These were small and basically I should say that usually we had some slippage in Kashmir because, you know, we were totally diverted, we couldn't attempt to recovery and all that and I think within J&K state out of this 2 to 300 I think it would be around 100 crores.
- Jigar Walia:** Sir, can we have the breakup of the miscellaneous income how much would be recoveries from written-off accounts or maybe release of standard account provision this time?
- Mushtaq Ahmad:** I think we have only provided that. Nothing.
- Jigar Walia:** On the other income. The other income I think has been lower this time and I think would it be because of lower recoveries from written-off accounts or a higher base in Q2 and Q1 in the same quarter last year?
- Mushtaq Ahmad:** So last year mainly the recovery was on account of recoverable lost assets. That was very huge. Basically that part of recovery is absent because whatever recovery you are making under your recoverable lost assets.
- Jigar Walia:** Yes. Sir, can you give the number, so we know that, you know, this year?
- Mushtaq Ahmad:** Last time it was, say, 16 crores and this time it is 3 crores only.
- Jigar Walia:** Okay. Perfect. Sir, one last question from my side, can you give guidance in terms of any further increase or for the full year what would be the overall increase in wages and overall expenses?
- Mushtaq Ahmad:** No. I would not say, but, you see, whatever increase in wage is going to be there. That is going to take entire asset from this, say, November 2012 and we have been providing at the rate of 15%, but what I understand and what we have the feel from the market that it would be maximum to that extent. So that part is being taken care. It is not going to be an additional burden on that ground.

- Jigar Walia:** Okay. Perfect, sir. Thank you, sir.
- Mushtaq Ahmad:** Thanks.
- Operator:** Thank you. Our next question is from the Tanya Kothari of CD Equity Research. Please go ahead.
- Tanya Kothari:** Yes. Good evening, sir. Sir, my question is what is the status on the MetLife excel which hasn't decided that you would be selling the stake this fiscal?
- Mushtaq Ahmad:** We are trying this fiscal itself. We inquired that initial process almost has been completed and now we are also evaluating different auctions and also the evaluation and all that and thereafter I think we should be in a position to just click it.
- Tanya Kothari:** No, sir. In general like how much like, sir, last time it was actually valued at 36.5 per share and 50 million shares were sold, so like how much would we expect like this time around?
- Mushtaq Ahmad:** I would say that it should be somewhere in the vicinity of 80 plus.
- Tanya Kothari:** Okay. 80 plus? Okay, sir. Sir, secondly, what was the NIM recorded in the state of JK and as well as the rest of India?
- Mushtaq Ahmad:** JK would be again I think, say – Just a moment. It's almost same. It's repeated.
- Tanya Kothari:** Yes, sir?
- Mushtaq Ahmad:** It is repeated. Within J&K it would be 6% and outside J&K sub 3.
- Tanya Kothari:** Sub 3? Okay, sir. And this is what is the guidance it would remain for next half?
- Mushtaq Ahmad:** I think second quarter is indication of that that my commitment guidance was that we should remain within the vicinity of 4%. We have already achieved that even in second quarter despite all odds and hardships.
- Tanya Kothari:** Okay. Sir, the next thing was that cost to income ratio was 44% and you were explaining that 81 crores were spent due to establishment expenses, can you just, you know, go with the rest what you have said I actually missed on that?
- Mushtaq Ahmad:** See, total establishment cost is going to be around 80 crores and out of that this 30 crores went for the provisional terminal benefits because it actually is I think that had identified that additionally you have to provide 30 crores and we had provided additional there was some 50 crores for DA increment and also special Platinum Jubilee increment and then again we had to regularize some contractual employee, so they had to get regular salary, so this was also on

account of that. And in addition to that, especial provision for CSR activity had to be created for 22 crores.

Tanya Kothari: Okay. And, sir, there was a reduction of around 220 crores in restructured assets, could you explain, sir, how much is like graded or how much is the slippages?

Mushtaq Ahmad: This time, yes, I think I should be in a position to. No, I don't have the moment. Now I will do the net restructure book is with me.

Tanya Kothari: Okay, sir. That's all from my side. Thank you so much.

Operator: Thank you. Our next question is from Yash Mehta of Equirus Securities. Please go ahead. Mr. Yash Mehta, your line is unmuted. Please go ahead.

Yash Mehta: Hello?

Mushtaq Ahmad: Yes, please.

Yash Mehta: Sir, wanted to know if there are more cooperate accounts any account you have entered into NIMs which we feel that there can be stress, so what would be the stress pipeline if you could?

Mushtaq Ahmad: Well, I would say that individually if you ask me to identify an account, I would not be in a position because I don't foresee, but once you are a part of multiple banking, you are part of the consortium and also considering the stress in the industry in the economy, they are still continue into this. I think we should remain prepared and we should keep our fingers cross. We were expecting that second half year we should see still better days well. There are some symptom symbols, but you see that still we are fully out of that? No. It's not like that. 2-3 quarters are still going under stress and I think more and more people are also interested due to availing certain benefits under this restructuring and all that. There are certain possibilities, but I would not be in a position to identify any account as of now.

Yash Mehta: All right, sir. And, secondly, sir, the restructuring that would be done for the floods and would there be interest reversals which would?

Mushtaq Ahmad: No. Not like that. It's not going to be just restructuring in the sense there is no interest reversal. In fact, there has to be monitoring on the repayment of interest as well as what do you call this your entire loan also.

Yash Mehta: All right. But, sir, as the operations would have been impacted in general in J&K state, would we expect some more slippages there as well where we would have interest reversals or?

- Mushtaq Ahmad:** No. No, I don't think that there would be slippage, but wherever you feel that there is some pressure where restructuring will take place and that will be taken care over a period of, say, next 3 to 5 years.
- Yash Mehta:** Right. And, sir, the other thing was that this quarter obviously our deposit growth was stampede because of the floods and so our CD ratio got pushed up, do we expect to keep it at the same level now?
- Mushtaq Ahmad:** I think between 65 to 70%, but more 65% than 70% would be my presence.
- Yash Mehta:** All right. Fair enough, sir. And, sir, if you could just repeat your guidance regarding credit growth I just missed those?
- Mushtaq Ahmad:** What I have said is that outside J&K state we have been striving for 15% growth. We will try to maintain that growth and within J&K state we had given guidance of, say, 25% to 30% that needs change and it has to be revised onwards. I expect that around 20% credit growth within J&K would be okay this year.
- Yash Mehta:** All right. Thank you, sir. That's it from my side.
- Operator:** Thank you. Our next question is from Divyanshi Dayanand of SBICAP Securities. Please go ahead.
- Divyanshi Dayanand:** Sir, I just wanted to check your guidance on overall CASA that the bank would achieve by the end of the year.
- Mushtaq Ahmad:** CASA, ma'am, I should say that CASA will remain around 40-41%.
- Divyanshi Dayanand:** And that would primarily be coming from the J&K state itself?
- Mushtaq Ahmad:** Of course.
- Divyanshi Dayanand:** Okay. And, sir, on your asset quality as you have already said in the previous question that slippages are more or less brighten, but have you, you know, kind of given what sort of guidance would be there in terms of gross NPA by the end of the year?
- Mushtaq Ahmad:** See, I would say that as far as overall situation scenario is concerned for J&K Bank, our worst is behind. But, again, since we are in the operations, so there could be upgradation, there could be slippage, but I would like that the existing level should not breach.
- Divyanshi Dayanand:** Okay. Sure. And, sir, anything that you would want to say on the, you know, the elections that might be coming and that if at all that would be impacting your business in any way?

- Mushtaq Ahmad:** No. Not at all because we have been there for the last 75 years. There was no intervention, no impact in the last 75 year, how do we expect that the current election could have some different situation and different impact?
- Divyanshi Dayanand:** Right. Sure, sir. Thanks. Those were my questions.
- Mushtaq Ahmad:** Thank you.
- Operator:** Thank you. Our next question is a followup from Jigar Walia of OHM Group. Please go ahead.
- Jigar Walia:** Yes. Sir, can you give some colour in terms of what would be the overall deposit growth that we can expect in FY15?
- Mushtaq Ahmad:** Mr. Jigar Walia, I would say that deposit I would not change. I think we would be growing. I was expecting 17 to 18% growth, but even other or circumstances 15% is the minimum that I am expecting.
- Jigar Walia:** Perfect. Okay. It is just that within J&K loan growth you expect a slowdown temporarily because of the flood situation that you have?
- Mushtaq Ahmad:** Not only, but this is also a lean season you see.
- Jigar Walia:** Okay. Perfect. Okay. Sir, in March quarter we had some hike on deposits and, you know, probably towards the second half of last year and therefore we've seen a cost of funds actually going up, when do we see this coming down and maybe what's the view on the cost of deposit?
- Mushtaq Ahmad:** I would say Mr. Jigar Walia that for me cost of deposit I think should not be a matter of concern as long as your yield on advances is better. And you are in a position to maintain your 4% **[Inaudible-0:35:37]** that we are maintaining. And once you are in the mark, it is not always. Sometimes you have to return the business at a cost. Everything is just related to your penetrate or your cost and all that, but sometimes it happens.
- Jigar Walia:** Yes. So lastly any guidance on ROA or ROE, I mean, that you would like to give, maybe, not for this year, but for FY16?
- Mushtaq Ahmad:** 2016 and 2017 I think we should be at a level of March 2015.
- Jigar Walia:** March 2014?
- Mushtaq Ahmad:** March 2014, yes, not 2015.
- Jigar Walia:** Okay. And, sir, any timeline for the MetLife?

Mushtaq Ahmad: MetLife we expect in the fourth quarter. We expect it.

Jigar Walia: Okay. And around 80 plus?

Mushtaq Ahmad: You see, still we are in the process. I have just given a rough calculation. That is my expectation.

Jigar Walia: No. Nothing to hold on, but just to have in... Thank you so much, sir.

Mushtaq Ahmad: Thank you.

Operator: Thank you. Our next question is from Vinay Arya of E&R Advisors. Please go ahead.

Vinay Arya: Sir, in our corporate loan book outside J&K what would the share of government entities and PSUs?

Mushtaq Ahmad: I need to bifurcate that and come back to you, specifically and precisely if you want me to give any bifurcations, I would not be in a position, but I will come back on that question.

Vinay Arya: Okay. And, sir, what is our total exposure to NBFCs as a percentage of book?

Mushtaq Ahmad: I think around 15%.

Vinay Arya: 15%?

Mushtaq Ahmad: Yes.

Vinay Arya: Okay. And, sir, in J&K what would be the exposure to government corporates?

Mushtaq Ahmad: PBC I think it should be around 1500 crores.

Vinay Arya: Which one? Okay, so...

Mushtaq Ahmad: For Power Development Corporation and some other corporations.

Vinay Arya: Okay. Power Development Corporation and other corporations as well?

Mushtaq Ahmad: Yes.

Vinay Arya: Okay. So combined is 1500 crores?

Mushtaq Ahmad: Major is Power Development; Power's exposure would be around 1000.

Vinay Arya: Right. Okay. Thank you, sir.

- Mushtaq Ahmad:** Thanks.
- Operator:** As there are no further questions from the participants, I now hand the floor back to Ms. Divyanshi Dayanand for closing comments.
- Divyanshi Dayanand:** I would like to thank the management of J&K Bank for their time. Thanks everyone for joining the call.
- Mushtaq Ahmad:** Thank you very much. On behalf of J&K Bank, myself, my colleague, Mr. Pravesh, sitting with me and really again it was a great opportunity to have an interaction with you. And this con call at this time when J&K Bank is passing through some challenge I think that was most desired and the time is quite relevant. Thank you very much for organizing this. Thanks a lot. We hope to see you soon again.
- Operator:** Thank you very much, sir. On behalf of SBICAP Securities Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.