Edited Transcript of Bank of Maharashtra's teleconference with

Financial analysts on financial Results for FY 2016-17

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PARTICIPANTS FROM BANK OF MAHARASHTRA:

Mr. R.P. Marathe, Managing Director & Chief Executive Officer

Mr. R.K. Gupta, Executive Director

Mr. A.C Rout, Executive Director

Moderator: Bank of Maharashtra welcomes all the financial analysts and participants to this teleconferencing on the financial results of the Bank for the financial year 2016-17.

Now I request **MD & CEO of the Bank Shri. R P Marathe, to upadate you about the financial performance of the Bank during the financial year 2016-17.**

Mr. Marathe: Good afternoon to you all . This is the first conference call which we are doing for the full year results of financial year 2016-17. Our results were announced on 4th May 2017 and I will give the brief performance highlights of the Bank for your information

I joined this Bank as MD & CEO on 26th September 2016 and with me are my two Executive Directors, Shri. R K Gupta and Shri. A C Rout. Shri Rout has joined on 31st March recently.

The Bank is amongst the small sized banks with the total business of Rs.2,41,000 crore as of March 2017. In terms of top line growth, our total deposits growth has been flat and the advances growth has been negative to the tune of 8.72%. So overall business growth has been negative by 3.85%. We have moved down from Rs.2,50,000 crore of business to Rs.2,41,000 crore of business. However, this contraction in the business top line has been out of our need to consolidate the Balance Sheet. On the deposit front, deposit growth has been flat but the CASA growth has been of the order of 22.47% and CASA percentage in total deposit has gone up from 37% last year to 45% this year.

As of March 2017, we have shed our CD portfolio and bulk deposit portfolio. The bulk deposit which we define as customer deposit above Rs.1.00 crore, are less than 1%. As far as advances portfolio is concerned, it has gone down from Rs.1,11,000 crore to Rs.1,02,000 crore, which is a negative of 8.72%. But within this the corporate portfolio has shrunk by nearly Rs.15,000 crore and the non-corporate portfolio has grown by 12.75%, which includes agriculture showing a growth of 4.31%, retail has grown by 25.65% and MSME has grown by 10%. So overall, non-corporate portfolio grew by 12.75% whereas corporate portfolio has shrunk by 23%, in magnitude term it has come down by Rs.15,390 crore.

As a result of this re-balancing, share of corporate portfolio has come down from 60% as of March 2016 to 50.48% as of March 2017.

In terms of retail advances, as mentioned has grown by 25% within which the housing portfolio has been to the order of Rs.10,700 crore in December 2016 and Rs.13,600 crore in March 2017 as against Rs.10,600 crore in March 2016. Out of our retail portfolio, the maximum share comes from housing portfolio and the other three elements i.e. education loan, vehicle loan or the other personal loan account for a very small share of roughly Rs.800 crore and Rs.600 crore respectively. This has been the overall business growth this year. One of the factors which has influenced the business growth this year is the capital adequacy concern, so in terms of that constraint, we have kept our growth very moderate and our focus has been more on consolidation and profitability.

Coming to the asset quality, the overall asset quality has shown a sharp deterioration. The NPA portfolio of the Bank has moved from Rs.10,400 crore as of March 2016 to Rs.17,200 crore as of March 2017. In terms of percentage, it has gone up from 9.34% to 16.93%. The net NPA has also moved up from 6.35% to 11.76%. The provisioning coverage ratio is 44.48 %. If we look at the NPAs, in terms of sector, the retail portfolio, is least i.e. at 3%, i.e. the NPAs in retail sector as a percentage of total retail portfolio is 3%, agriculture is having NPAs to the tune of 12%, MSME is having a little high percentage of NPAs of 23% and the large corporate portfolio is having NPA to the tune of 20%.

In terms of restructured book, our total restructured book under standard category has come down from Rs.4,400 crore to Rs.2,400 crore over the past year and if you look at the total SMA portfolio, our SMA portfolio stands at Rs.11,600 crore as of 31st March 2017. The standard restructured portfolio as mentioned is Rs.2400 crore which also includes three major schemes namely, the SDR, the S4A and the 5/25. In addition to standard restructure, there is restructured portfolio under NPA category which stands at around Rs.4,300 crore.

In terms of Branch network, we are having 1900 branches and equal number of ATMs and there has not been any addition in the branch network. Majorly our presence is in the State of Maharashtra and nearly 60% of the branches are there in this State. But we also have PAN India presence covering all the states.

In terms of man power strength, we have total staff strength of 13000 people. We do not have any subsidiary other than the Gramin Bank and a small subsidiary "METCO", which is a Trusteeship company. We do not have any other subsidiary either for cards or mutual funds or capital markets or insurance. We have tied up with Life Insurance Corporation of India, United India Insurance Co. ltd, M/s Cigna TTK Health Insurance Company Ltd. and Future Generali India Insurance company ltd. for selling their insurance products. So this is in nutshell the overall scenario of the Bank.

In terms of the capital adequacy, we are above mark at 7.28% CET-I ratio. Additional Tier I ratio has been 1.73% and Tier II ratio has been of the order of 2.17%. So the total CRAR ratio stood at 11.18% which was more or less at the same level as that of March 2016. The total Tier I ratio has been in the order of 9.01% as of March 2017. So we have not breached any mandatory levels of either CET-I or additional Tier I or total CRAR.

Coming to the profitability and other numbers, the major impact has been felt on our interest income. The Net Interest Income has been down by 18.15% from Rs.3,879 crore to Rs.3,175 crore. Majorly this has been impacted because of 2-3 factors. One is the gradual reduction in our MCLR which was brought down from 9.70% as of 1st April 2016 to 8.75% as of now and secondly the slippages which have happened during the course of the year which also included AQR slippages. There has been reversal of income and that has been very sharp. Because of this

Net Interest Income has fallen and the net interest margin has also gone down from 2.59% to 1.99%. I will clarify one thing; Net Interest Margin which other banks are declaring is shown in terms of Net Interest Income as percentage of the average earning assets whereas in our case we are showing as per the RBI definition of Net Interest Income as percentage of average working funds. If we consider the other definition it may be slightly above, this may be by 5 basis points. So Net Interest Margin has taken the major hit.

As far as Non Interest Income is concerned, it has shown a healthy growth of 48% mainly contributed by the treasury gain. And as far as the expenses are concerned, the operating expenses other than staff has grown only by 3.61%. The staff expenses have shown a high rise of 17.28% that also was not because of the hike in the salary or any recruitment but because of the AS-15 provision which has jumped by 33% during this period.

As a result of this, various ratios if we look at, our cost of deposit has come down by 70 bps from 6.75% to 6.05%. However, the yield on advances as mentioned due to interest reversal and also because of the lowering of interest rates, has come down from 10.11% to 8.50% and the yield on Investment has been down by 20 bps from 7.88% to 7.67%. Net Interest Margin as mentioned has been down at 1.99% and thus the operating profit has also been down. The operating profit has slipped from Rs.2,345 crore to Rs.1,827 crore and the provisions and the contingencies have gone up by almost 100% from Rs.1,927 crore to Rs.3,970 crore. So the profit before tax has been in the red to the tune of Rs.2,143 crore. All these quarters, prior to this, our Bank has not taken into account, the DTA factor. However, this quarter we have taken the benefit of DTA and as a result of which the tax expenses have been in the negative region of Rs.771 crore and as a result of all this exercise there has been loss of Rs.1,373 crore as against the corresponding yearly profit of Rs.101 crore last year. Since we are talking about the full year result, I have not gone into the quarterly Q4 result.

As far as the movement of NPA is concerned, the total NPA has gone up from Rs. 10,386 Crore to Rs. 17,189 Crore. Out of which, the slippages for the year have been to the tune of Rs. 9000 crore and for the quarter, it was Rs.3,500 crore. Here something should be noted very clearly, as the year started incremental slippages have been gradually coming down. In Q1 of June 2016, the total slippages were Rs.2,900 crore, which came down to Rs. 2,200 crore in 2nd quarter and further down to Rs.1,700 crore in third quarter. However, in the last quarter, because of AQR impact, out of the quarterly slippages of Rs. 3,500 crore, roughly Rs. 2000 crore, exactly Rs. 1978 crore have been on account of AQR and most of these accounts have been back dated so the provisioning impact has also been higher on account of this AQR to the tune of Rs. 620 crore. So the Slippages which have been coming down quarter after quarter till Q3 have taken a U turn and gone up to Rs. 3500 Crore. But going forward, this should definitely come down. As far as recovery and upgradation are concerned, it has shown a positive trend. The total cash recovery has gone up from Rs. 645 crore in Financial Year 2016 to

Rs.810 crore in Financial Year 2017. Upgradation has been slightly lower on a yearly basis from Rs.191 crore last year to Rs. 149 crore this year. However, on quarterly basis, both the cash recovery and upgradation have been quite strong. The cash recovery, compared to third quarter of Rs.353 crore has gone up to Rs.500 crore in last quarter and the upgradation has gone up from Rs.227 crore in December to Rs.513 crore in March 2017. As our substantial portfolio is in doubtful-3 and loss category, for which we are having 100% provision available with us, Bank has also gone for write offs .Total amount of write offs have been of the order of Rs.1,357 crore for the full year as against the last year figure of Rs.903 crore.

If I have to speak on the ARCs, some accounts have been subjected to ARC sale to the tune of Rs.381 crore out of which Rs.168 crore have received in the form of cash/ S.R. and Rs.213 crore have been written off. So Rs.381 crore worth of advances have been sold through ARC route.

So overall scenario in terms of the Asset quality, yes there has been major impact in terms of the asset quality, the gross NPA have almost touched 17%. The standard restructured advances are to the tune of Rs.2400 crore. It comes to nearly 2.3% of gross advances. The standard portfolio under SDR, S4A and 5/25 schemes are nearly Rs. 800 crore, Rs. 31 crore, Rs.1,345 crore respectively.

As far as other initiatives are concerned, we are more or less at par with our peer banks whether it is Financial Inclusion, digitization etc. Our major focus has been on improving the recoveries and containing the slippages. So the Organization is gearing up for further improvements in these areas and whatever changes which are required to be brought up in NPA Management, in the systems and processes, in terms of training and re-skilling, we have taken the required initiatives.

Going forward, we are looking to an upturn in the economy and many other enabling measures which have already been announced or which are in the pipe line, it will be a very positive trend going forward and our focus will continue to be on the rebalancing of the portfolio so as to increase the share of the retail portfolio to 58% in the current year and further reduce the share of corporate portfolio. So this is the overall guidance I would like to give. Another focus is to improve our Net Interest Margin. Our target is to reach to the level of 2.50% in the course of next two years. We also want to further improve our Non Interest Income and continue to control expenses to improve our cost to income ratio.

Our cost to income ratio is above 60%. Major reason for such a high cost to income ratio is negative growth in Net Interest Income. Which is the major component of the net income as a denominator.

With this, I conclude my comments and we would be glad now to take your questions and request moderator Mr. Dinesh to take the conference further from here. Thank you.

Moderator: Thank you very much Sir, we will now begin with the questions and answer session. The first questions is from Mr. Jatin Doshi from SBI Mutual Funds, Mumbai.

Mr. Jatin : **Hello, I am Jatin, we have a request regarding the miscellaneous income which appears on the non interest income segment, if you can throw some light on it**

Mr. Marathe: Yes, our total Non Interest Income has gone up from Rs.1019 crore to Rs.1508 crore i.e. by 48%. The major components of fee based income i.e. fees of LC's and commission on guarantees has gone up from Rs.675 crore to Rs.734 crore. The growth in core fee based income is 8.68 %. The Treasury income has gone up by 190% and within treasury, we have two components, one is profit from sale of investments which has gone up from Rs.157 crore to Rs.581 crore i.e. 270% and the foreign exchange profit has also gone up by 30%. The recovery in written off accounts has been lower at Rs.38 crore only, as against Rs.68 crore previous year and the miscellaneous income, which comprises various charges, as minimum balance charges, locker charges etc. has gone up by 32%. So this is the broad break up of Non Interest Income which has gone up by 48%.

Mr. Jatin : **Sir ,how do we look forward for the treasury income for this financial year with rates getting in the range of 6.90% to 7%?**

Mr. Marathe: The treasury gain is mainly because of shifting from HTM to AFS and usually shifting is done in the first quarter of the financial year. However last year we did this exercise in the third quarter and because of some favourable movements in the yield in that quarter, we could show a very healthy profit in terms of sale of investments in third quarter. Going forward, definitely it will be little moderate. It may not be as high as this one. So we are factoring that kind of rise in the current year and it will all depend upon the market situation. We have an excess SLR portfolio of 2- 2.5% which we will take advantage whenever it comes on the way.

Mr. Jatin : **Sir, do we see any upward demand in affordable housing space in India, especially Tier III and Tier IV centers where Bank has huge presence especially in the rural parts of Maharashtra?**

Mr. Marathe: Definitely, large number of affordable housing projects are coming up and there is an enhanced awareness in this sector. I can say that definitely credit will pick up. We have a full year ahead of us and we will see a good growth in the housing sector, particularly the affordable housing.

Moderator: Thank you Mr. Jatin. We have next question from Mr. Deepak Kumar from Noida.

Mr.Deepak Kumar **Hello, I am Deepak Kumar from Microsec, Can you provide some breakup from which sector the slippages have come in this quarter.**

Mr. Marathe: There are mainly two sectors i.e. cement sector and auto sector from which slippages have come in this quarter

Mr.Deepak Kumar: **Can you just quantify how much was the Slippages from the Cement Sector.**

Mr. Marathe: Roughly Rs.850 Crore.

Mr.Deepak Kumar: **How much was the slippages from the diversion which RBI has notified in the 4th quarter?**

Mr. Marathe: Roughly, Rs.1900 Crore, has been downgraded in the fourth quarter.

Mr.Deepak Kumar: **How are you seeing your agriculture portfolio in terms of NPA particularly in Maharashtra region?**

Mr. Marathe: Roughly 12% is our NPA in agriculture and last year we had a good monsoon which should help the agriculture sector particularly in various parts of Maharashtra. However, we will have to wait and watch for the numbers to come in. But overall the NPA in agriculture sector are to the tune of 12.11% as of March 2017 and if you see in the last year i.e. March'16, it was 8%. So it has definitely gone up.

Mr.Deepak Kumar: **Are you seeing any impact of the waiver?**

Mr. Marathe: :Not as of now, nothing has been finalised, so we cannot quantify the impact of that. But our efforts are to grow agricultural credit in terms of the Farmer Producers Society Loans. Where there is lot of focus, particularly in Maharashtra, to bring the farmers under the farmer producer society, where in 20-25 farmers will be bought together and their farming will be aggregated and loan could be given in the form of corporate loans. Lot of focus is also received on food parks i.e in the food sector and food processing sector. We also see opportunities coming up in these sectors.

Mr.Deepak Kumar **Can you quantify what is steel exposure and how much NPA has been recognized in this?**

Mr. Marathe: Right now, I don't have the figure with me, but in due course of time I will be able to tell you.

Mr.Deepak Kumar **Any rough idea, how much NPA would have been recognized in the steel industry , just some ballpark figure.**

Mr. Marathe: : it is 15%

Mr.Deepak Kumar **As we see the capital adequacy ratio, it is almost at the danger level, how you see this ratios going forward. How can we boost these ratios?**

Mr. Marathe: As far as capital adequacy ratio is concerned, Rs.300 crore of capital has been received from the Government this year in F Y 2017. We had also raised Rs.500 crore of AT1 bonds in FY 2017. In the current year, in order to sustain our growth, we are looking forward to augment our capital base to the tune of Rs.1500 crore, which will be partly by way of raising money from the market and partly from the

Government support.

Mr.Deepak Kumar Thank you Sir.

Moderator: Next Question is from Analyst, Mr Ritesh from UTI Mutual funds, Mumbai. Please go ahead.

Mr Ritesh: **In the month of April, some UPI based fraud has occurred, in which Bank's name has appeared?**

Mr. Marathe: We were onboard on UPI in the first lot in the pilot run itself. NPCI had onboarded about 7-8 banks of which our's was also one Bank. There are three agencies involved, "NPCI" in backend , in middle there was another company called "infra soft technology" and then we had our Core banking solution . In the UPI module we have various facilities, of which one is to collect money. Somebody can request you to send money and you can accept it by clicking on the app. In this case particularly, even if the customer did not have any balance in his account and if he was accepting the request to send money, the request was getting accepted , money was getting transferred and his account was not getting debited but Bank's account was being debited by NPCI. And when CBS was encountering this first message for sending the money and when there was no money in the account, CBS was sending a decline message. This message was formed in two ways, the particular code message and text message. So, when a text message was "declined" for which code message was "99". When this code was transmitted from the intermediary i.e. infrasoft to NPCI , text message got converted to "success" instead of "decline" and the numerical code remained the same i.e. 99. However both the messages were not considered by the NPCI and the transaction was passed i.e. the beneficiary got the amount in his account and the Bank's account was debited. However, this came to light in the first week of January and the total amount which has been impacted is to the tune of Rs.26 Crore. Some individuals took advantage of this glitch . All the culprits have been identified and the FIR's have been filed. The recoveries in these accounts have been Rs. 6 Crore and equal amounts can be recovered from the accounts of these individuals who are under interrogation of the police authorities. We have taken up the issue with the NPCI and the infra soft technology claiming the amount from them. We have also ordered a system audit of the whole event, the reports of which are awaited. So this was one kind of an operational risk event.

Mr Ritesh: **My second question is related to MSME, clearly out of the overall NPA of 17% your MSME really stands out. Any particular reason why the NPA's have increased inspite of the book growing YOY?**

Mr. Marathe: Definitely, there has been a major impact as far as the delinquencies are concerned. Though MSME portfolio has also grown marginally from Rs 17000 crore to Rs 19000 crore, some of this portfolio growth has been because of reclassification as the definitions of MSME keep undergoing changes, part of increase is because of that, however the other change is normal. As far as NPA's are concerned there is higher delinquency in the MSME Sector . We also have one scheme which is loan against property, and also there have been some instances of lending which was not confirming to the lending practices because of which the bank suffered. There have been higher instances of such bad loans in the MSME and that is why the delinquencies have been higher and we are taking care that this is contained at much lower level in future .

Mr Ritesh: **How much was the LAP amount?**

Mr. Marathe: It is roughly Rs.900 crore

Ritesh: **So this is just origination issue?**

Mr. Marathe: 25% of the total NPA's in MSME are on account of this product alone and the remaining is since the economy has been down and the cash flow has been impacted. In general, the MSME sector is the one which takes the maximum hit out of these cash flow problems, because of that also major impact has been observed in the MSME sector.

Mr Ritesh: **Sir, just on restructure book, in your opening session, you have mentioned about Rs.2400 crore is the standard restructured. But also mentioned amount is Rs.4300 crore. What is the second part of it?**

Mr. Marathe: Roughly, Rs. 2400 crore is the standard restructured book. The restructured book also includes loans upto Rs. 1 crore. Normal restructuring happened because of extension of COD, SDR, S4A etc. As far as Rs. 4,300 crore is concerned the same is also restructured however, the same are under NPA category.

Mr Ritesh: **From the strategic point of view, any strategy you have in mind, to reduce NPA and How do you feel when this whole process of NPA auctioning happens? Whether you feel that recovery would be much faster and would be much more than what you have recognized in PCA?**

Mr. Marathe: Firstly, lot of things have happened here as far as the impairment of asset quality is concerned and we believe this would be the worst year . Going forward, the incremental slippages will definitely be lower, Secondly there are all kinds of economic revival and better credit off take. The third thing in terms of various enabling measures, I will focus on the latest ordinance vide which powers are being given to RBI to deal with the top NPA accounts. Even in our case also, with a total NPA of Rs.17000 crore ,roughly 80% of NPA's are in the big ticket advances and in most cases we are a part of the of the consortium where our share is not more than 2-3%. Now these are all part of the advances which are now under the RADAR of RBI where they have said that we need to resolve these issues by December of this year. Or we will have to refer that to NCLT. Other enabling measures like the IBC code , strengthening of the DRT and our own internal initiatives, now we are going very aggressive as far as the SARFAESI actions are concerned or as far as the compromises are concerned .Wherever it is possible, the small tickets or the sole banking cases, we are going for resolutions on a faster pace. All these elements put together, we are quite sure that the entire scenario will be far better than what we have experienced so far but to what extent and how fast, we will not be able to comment on that.

As far as RBI guidelines on prompt corrective actions are concerned, we are under the threshold –II, where the net NPA should not be more than 12%. Our net NPA for this year has been 11.76%. We are bordering on the upper side, but going forward we will curtail NPA to lower than the present level with the turnaround plan which we have worked out internally with the approval of board. As you must be aware that with the infusion of capital, the Government of India is also asking us to sign an MOU for the turnaround plan. So that exercise is also going on where we have put focus on NPA recovery, new credit expansion, controlling the slippages, improving the operational efficiency, be it in terms of rationalisation of branch network, rationalisation of the administrative office structure or other types of initiatives which will ensure that our operational efficiency improves and going forward incrementally the delinquency ratio are curtailed and bought down. We are hopeful that things will improve quarter over quarter but what will be the exact numbers, I will not be able to put that as of now.

Mr Ritesh: Thank you Sir.

Moderator We have next question from Mr. Suresh Vora

Mr. Suresh **Sir, do you think the present compensation for the farmers, Loan waiver to farmer will have impact on the agriculture loan recovery?**

Mr. Marathe: Definitely it will have an impact. But as of now nothing has been announced in the State of Maharashtra.

Moderator **We have next question from Mr. Samaratha from B P Equity**

Mr. Samaratha: **Good evening Sir. This is Samaratha from B P Equity. Sir, your CASA Ratio for this quarter was 45% Will it be sustainable going forward?**

Mr. Marathe: CASA ratio was 45% partly because of the effect of demonetization, but partly as the trends are unfolding, we are confident that it will be maintained at around 43% going forward.

Mr. Samaratha: **In the SME segment, what will be your loan to value ratio in the LAP portfolio?**

Mr. Marathe: Loan to value ratio is comfortable at 80%

Mr. Samaratha: **What will be the strategy in the next financial year of the Bank for rationalization to improve your cost to income ratio?**

Mr. Marathe: We have thought of the strategy particularly in urban and metro regions where branches are located near to each other and multiple branches are available in different names, some catering to NRI's, some catering to senior citizens and some catering to large corporate and are stationed near to each other. Such branches will be bought together under one roof. The unviable or the loss making branches will also be merged or relocated. More particularly on the administrative side, Bank is having a three tier structure i.e. Head office, Zonal office and the branch, unlike other banks which have a four tier structure. We have 32 zones and

1900 branches. We have on average 70 branches per zone but we will try to rationalize the zonal offices, more particularly in Maharashtra which is a more compact state. We have 16 zonal offices here, we can bring down this number. Thus we will be rationalizing both the administrative offices and the branches.

Mr. Samaratha: **How much cost do you expect to save from the entire exercise?**

Mr. Marathe: The cost saving will be to the tune of Rs.25-30 crore but the staff, who will be relieved from these places, will be utilized in the branches for new business development as well as NPA management or the recovery. With better monitoring and better credit expansion at branch level, Bank will definitely gain in terms of the top line as well as profitability. The direct cost saving will not be much. It will be Rs. 25-30 crore.

Mr. Samaratha: Thank you Sir.

Moderator We have next question from Mr. Omkar Tanksale from D G Capital.

Mr. Omkar : **My self Omkar Tanksale from DG Capital, Sir, has Bank signed any MOU as prescribed by the Government for infusing the capital?**

Mr. Marathe: We are in the process. It is a two phase process. MOU was already signed before 31st of March which was preliminary MOU, which was signed by us the Management and the Unions also. Subsequent to that a detailed plan was worked out, which was discussed with the Ministry and in a couple of days it will be finalized. The plan is talking about various improvements in our business model, i.e. advances profile or cost to income ratio, NPA recoveries and NPA management, it will be completed before month end.

Mr. Omkar : **Interest income has shown the reduction of around 18% whereas Non Interest Income has gone up by around 48% on yearly basis. Any specific reason for such variation?**

Mr. Marathe I have already explained, our interest income fell substantially by around 18% .The main reason being not cost part of it, yield on funds reduced because of the slippages, the new NPA's which have been added. These NPA's have stopped earning additional interest and the interest which was unrecovered was reversed. So this reversal of income was to the tune of roughly Rs.900 Crore which has resulted in major drop in our interest income and also the lowering of the interest rates. Due to the MCLR Regime, the interest rates have been reduced from 9.7% to 8.75% and these benefits have been passed on to our borrowers more particularly to the large corporate borrowers. This has also impacted the interest income.

On Non Interest Income side, it was 48% growth and the treasury income has been the major contributor, and also the miscellaneous income and the core fee income ,all the three component have shown better growth. Majorly from treasury side both on the profit of sale of investment as well as the forex income.

Mr. Omkar : Thank you.

Mr. Marathe: We are very hopeful, from day one, we have geared up the machinery and with the improvement in the overall economic sentiments; particularly in the industrial sector, credit off take and the opportunities for giving good credit will be improving month after month. We will be definitely encashing upon these opportunities. With putting tight control on credit monitoring and recovery management, we will able to show good results this year.

Bank of Maharashtra thanks you for your participation in today`s teleconference and for your continuous support. The Bank looks forward to continuous support from all of you. Thank you once again.