



## “Oriental Bank of Commerce Q2 FY-18 Earnings Conference Call”

**November 8, 2017**



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**MODERATOR: MR. BHAVIK MEHTA - ANTIQUE STOCK BROKING LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to the Oriental Bank of Commerce Q2 FY18 Earnings Conference Call hosted by Antique Stock Broking.

We have with us today the management from Oriental Bank of Commerce represented by Mr. Mukesh Kumar Jain – MD & CEO; Mr. Jitender Mohan Singh – GM & CFO and Mr. Himanshu Joshi – ED.

As a reminder, all participants' lines will be in the listen-only mode and 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 entering '\*' then '0' on your touchtone telephone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Bhavik Mehta from Antique Stock Broking. Thank you and over to you, Mr. Mehta.

**Bhavik Mehta:** Good afternoon everyone. So Oriental Bank of Commerce came out with its results today. So I will ask the MD sir to guide us through quickly with the numbers and then give us an overview of the economy. Over to you, sir.

**Mukesh Kumar Jain:** Very good afternoon to all of you. I would like to give the key highlights of the financial results for Q2 and half year ending September.

Bank has incurred a net loss of Rs. 1,749.90 crores for Q2 mainly due to higher provisioning for bad debts including NCLT cases though our operating profit has increased by 62.31% to Rs. 1,551.38 crores against Rs. 955.84 crores in the last year. It is pertinent to mention that bank has made full upfront provision in Q2 in respect to nine accounts, nine NCLT cases.

Then otherwise there is an overall improvement in all parameters may be advances, deposits, CASA, Net interest margin, operating profit, provision coverage ratio, cash recovery and cost of deposit. The business of the bank has increased by 7.54% volume wise and deposit has gone up by 6.14% and advances there is an increase of 9.06%. I would like to mention that or I will have to highlight that our advances have grown by 9.06% whereas our credit risk weighted assets have grown marginally by 1%.

Our net interest margin is increased by 25 basis points to 2.44% compared to 2.19% in Q1. Our gross NPA stood at 16.30% and net NPA 9.44% against a gross NPA of 14.3%. and net NPA of 9.56% in Q1. Our provision coverage ratio was improved to 59.75% during Q2 (FY 17-18) from 54.66% in Q1 and 48.47% in Q2 (FY 16-17).

Our total cash recovery has increased by 52.60% Y-on-Y basis to Rs. 611.43 crores during the quarter. Our cost of deposit on Y-on-Y basis has declined to 5.64% from 6.51% , there is reduction of 87 basis points. Our increase in RAM advances that in retail, agriculture and

MSME is by 10.94% and growth in retail is impressive 28.86%. Our other income has increased by 81.56%, business per employees has grown up from 15.94 crores to Rs. 16.76 crores and business per branch from Rs. 148.96 crores to Rs. 158.24 crores.

Now I am open for questions, please.

**Moderator:** Thank you. Ladies and gentlemen, we will now begin the question-and-answer session.

We have the first question from the line of Amy Truesdale from Jupiter Asset Management. Please go ahead.

**Amy Truesdale:** I just have a couple of questions on the Income Statement. Firstly, there is a large increase in other income, I just wondered what this was and secondly in terms of expenses there look to be some changes here and there. So the employee cost has come down and other expenses have come up. It will be good to get some detail on this?

**Mukesh Kumar Jain:** The increase in other income is basically because of treasury operations. You can see that treasury profit has increased substantially and the decrease in expense is because of some investment locking transactions we have done for superannuation funds. These are the two things I suppose you have asked?

**Amy Truesdale:** Sorry, could you repeat that in terms of the other operating expenses?

**Mukesh Kumar Jain:** The other operating expenses have gone down because of superannuation, investment and yield locking transaction which we have entered into with certain investors. So that is why and we have monetized again so that is why this has gone down.

**Amy Truesdale:** Okay and so just one quick follow up on the employees cost that seems to have come down substantially?

**Mukesh Kumar Jain:** Similarly it goes for the similarly the employees cost only. Superannuation funds are maintained for employees only.

**Moderator:** Thank you. We have the next question from the line of Manish Ostwal from Nirmal Bang. Please go ahead.

**Manish Ostwal:** Yes sir, I have one clarification from the numbers we have made this NCLT provision for the entire requirement in this quarter or NCLT list second provision is pending?

**Mukesh Kumar Jain:** For list one, we have made the entire provision in this quarter which we were required up to March 2018.

**Manish Ostwal:** Okay and second list, provision need to be made, right?

- Mukesh Kumar Jain:** Second list actually RBI has given time up to December 13th if the valuation does not take place by December 13th then we have to look for the provision. Right now we cannot make any provision on that except for regular either loans provision has been made.
- Manish Ostwal:** Yes and second on this quarter slippage is around Rs. 3,000 crores so could you give the break up in terms of corporate slippages, agriculture and SME how are things in that?
- Mukesh Kumar Jain:** Agriculture slippages, shall I give percentage wise?
- Manish Ostwal:** No, absolute figure?
- Mukesh Kumar Jain:** Absolute is around this mid corporate and large corporate is around Rs. 2,300 crores. And in micro and small it is around Rs. 500 crores, agri it is Rs. 165 crores and retail Rs. 32 crores. And major account in the corporate power sector we have 5 accounts amounting to Rs. 712 crores. In Iron and Steel we have 4 accounts amounting to Rs. 229 crores. In construction sector there are 11 accounts amounting to Rs. 747 crores and textile there are 5 accounts amounting to Rs. 258 crores. These are the major accounts.
- Manish Ostwal:** Okay and last question on the capital adequacy or capital raising plan how we are moving in that side?
- Mukesh Kumar Jain:** See we require capital around Rs. 5,000 crores now up to March. So Government of India is holding close to 58% around. Around Rs. 3,000 crores from Government of India then Rs. 2,000 crores we can raise from the market as rights issue.
- Manish Ostwal:** Right issue?
- Mukesh Kumar Jain:** Yes.
- Moderator:** Thank you. We have the next question from the line of Anirudh Madhusudan from Investec Capital Services. Please go ahead.
- Anirudh Madhusudan:** I just have a couple of questions. I wanted to know what the outstanding standard SDR is, along with outstanding standard S4A and 5/25? And also if you could clarify the NPA in the power sector?
- Mukesh Kumar Jain:** Yes, outstanding in the SDR, S4A and 5/25, SDR 16 accounts amounting to Rs. 1,546 crores, S4A eight accounts amounting to Rs. 1,567 crores and 5/25 nine accounts amounting to Rs. 1,046 crores.
- Anirudh Madhusudan:** Sorry sir, I did not get the S4A and the 5/25 numbers again?
- Mukesh Kumar Jain:** S4A eight accounts Rs. 1,567 crores and 5/25 nine accounts Rs. 1,046 crores.

- Anirudh Madhusudan:** And the NPA in the power sector?
- Mukesh Kumar Jain:** This is Rs. 1,398 crores and percentage wise it is 20.15%.
- Moderator:** Thank you. We have the next question from the line of Jai Mundhra from Batliwala and Karani Securities. Please go ahead.
- Jai Mundhra:** Few questions first on the staff side the staff cost side you mentioned that some portion is now we have not done provisioning on the provisioning part. Can you just explain a bit more detail as to what is the normal staff cost and how much was the provisioning which was reversed and how should we look at this line item going forward?
- Himanshu Joshi:** No, provisioning has not been reversed, let this be very clear. What we have done is we have monetized superannuation funds with an investor, and the investment price has been locked and the gain has been booked. So there is no reversal and our rate of interest which we were running on the investments is already protected. So this is not reversal of provision.
- Jai Mundhra:** And what should be the run rate sir, I mean should it be normalized from let us say next quarter onwards or do you think what could be the normal run rate for this staff cost?
- Mukesh Kumar Jain:** I think it should be normalized next quarter.
- Jai Mundhra:** No, because the last quarter it was much higher and this quarter it is much lower how should we look at this?
- Mukesh Kumar Jain:** That one off transition. It is not going to happen quarter-on-quarter.
- Jai Mundhra:** Okay so roughly let us say Rs. 400 crores, Rs. 500 crores should be a normal figure?
- Mukesh Kumar Jain:** Yes, whatever is the normal we will incur that.
- Jai Mundhra:** Secondly, in terms of RBI audit and risk based supervision are we done through that exercise or are we still in progress?
- Mukesh Kumar Jain:** The RBI exercise has been completed but we are yet to receive final report so till report is received we cannot make any commitment or comment on that.
- Jai Mundhra:** Secondly, on restructured book there is a mention of Rs. 1,598 crores which has been upgraded on satisfactory conduct in this quarter. Can you sort of highlight the sectors where they belong to because this is a very significant reduction in the restructured book where is that coming from?
- Mukesh Kumar Jain:** This is normally come from the road sector basically then some in power sector, basically road and power sector.

- Jai Mundhra:** And roughly sir what would be the number of accounts in here sir, I mean 2, 3, 4 or would it be like more?
- Mukesh Kumar Jain:** Around 10.
- Jai Mundhra:** And sir, last year post our last year in last quarter conference call you sort of highlighted that slippages for full year would be roughly in the range of Rs. 8,000 odd crores for the first half we have already done around Rs. 6,000 crores. How would you see that slippages number sir would you be revising that number or how do you look at that number?
- Mukesh Kumar Jain:** Hope, we will maintain the same.
- Jai Mundhra:** Okay so you still believe that the next two quarters would be very nominal kind of a slippages or is that what you are trying to say?
- Mukesh Kumar Jain:** It is all about the economy because normally we will stick to the number but depending upon the economy and the regulatory prescriptions and guidelines and all that.
- Jai Mundhra:** So you believe slippages should moderate much significantly from next quarter onwards?
- Mukesh Kumar Jain:** In normal conditions we will stick to our numbers.
- Jai Mundhra:** Sure sir and last question from my side what is the SMA2 number, sir? I believe last quarter we had somewhere around Rs. 5,000 odd crores? What would be the number at the end of 2Q?
- Mukesh Kumar Jain:** It is Rs. 6,891 crores.
- Moderator:** Thank you. We have the next question from the line of Sanket Chheda from IDFC Securities. Please go ahead.
- Sanket Chheda:** Sir, what would be your security receipt outstanding?
- Mukesh Kumar Jain:** It is Rs. 393 crores.
- Sanket Chheda:** Okay sir and is there any overlap between S4A, SDR, 5/25 all of them and the restructured books?
- Mukesh Kumar Jain:** Can you come again clearly?
- Sanket Chheda:** No, are there any accounts which are in S4A, SDR, 5/25 and also in restructure, so is there any overlap between these two?
- Mukesh Kumar Jain:** Yes, there is.

- Sanket Chheda:** So would you be able to quantify that?
- Mukesh Kumar Jain:** There are nine accounts amount Rs. 765 crores out of 16 S4A accounts, similarly 5 accounts amount Rs. 1269 crore of 8 accounts in S4A and of 5/25, one account Rs. 66 crores out of 9 accounts.
- Sanket Chheda:** Can you repeat that sir, I missed it? S4A how much is the restructure?
- Mukesh Kumar Jain:** Five accounts Rs. 1,269 crores.
- Sanket Chheda:** Okay SDR?
- Mukesh Kumar Jain:** SDR nine accounts Rs. 765 crores.
- Sanket Chheda:** And 5/25?
- Mukesh Kumar Jain:** One account Rs. 66 crores. It is in slide No. 30 of our presentation.
- Moderator:** Thank you. We have the next question from the line of Sangam Iyer from Subhkam Ventures. Please go ahead.
- Sangam Iyer:** Sir, going forward how should one be looking at the credit cost for the company given that for the first list of entry you have already taken most of the provisioning in terms of beyond 50%, but for the second list what is the kind of provisioning that one should be looking at?
- Mukesh Kumar Jain:** First let the 13<sup>th</sup> December pass, number 1. Number 2, what is going to be the outcome, number 3, what is going to be the regulated prescription for that. So as of today there is nothing I can add to this.
- Sangam Iyer:** No sir, my question was that the other 27 companies that were discussed across with your peers as well who mentioned that tentatively list could come through and they have all been taking the provisioning. From that perspective I am just trying to understand I mean do we have from those list for that matter to.....
- Mukesh Kumar Jain:** In those 27 companies we cannot take a call till 13 December passes and if no realization comes then we will be referred to NCLT and then provision basically whatever will be required will come in due course.
- Sangam Iyer:** So even on a hypothetical basis any share I mean what kind of provisions do we carry for that?
- Mukesh Kumar Jain:** Already we have 37% of provision in those accounts where we are present. We are present in 16 accounts.

- Sangam Iyer:** So incremental slippages I missed that part when you are answering. Incremental slippages how should one be looking at it going forward?
- Mukesh Kumar Jain:** We will stick to the number in normal conditions what we have already conveyed to the market.
- Sangam Iyer:** Yes, which was around I think Rs. 8,000 crores for the full year?
- Mukesh Kumar Jain:** Around Rs. 8,000 crores out of which Rs. 6,000 crores we have already slipped and in normal condition because there are so many things happening so fast like regulative prescriptions and government prescriptions and court prescriptions and all that. So in normal circumstances we will stick to the number which we are convinced.
- Sangam Iyer:** So if the status quo what we stand as on date today then we are talking about an incremental Rs. 2,000 crores kind of a slippage further?
- Mukesh Kumar Jain:** Yes, you can take it like that.
- Sangam Iyer:** If there is no incremental change in direct accounts?
- Mukesh Kumar Jain:** Yes, if there is no change in economical environment and judicial environment also.
- Sangam Iyer:** Right so if there is anything new does not happen and whatever happens status quo then we have to?
- Mukesh Kumar Jain:** So then we will stick to the number of Rs. 2,000 crores to Rs. 2,300 crores.
- Sangam Iyer:** For the full year?
- Mukesh Kumar Jain:** For the remaining amount what we have stated.
- Sangam Iyer:** And sir, any guidance in terms of how we see the margin profile going forward?
- Mukesh Kumar Jain:** Clearly we expect that we would maintain this again depending upon so many things.
- Moderator:** Thank you. We have the next question from the line of Bajrang Bafna from Sunidhi Securities. Please go ahead.
- Bajrang Bafna:** Sir, in the month of October we have classified under this PCA category. Can you broadly tell us that is there any roadmap which is available with the management how they are planning to come out of this PCA category and since there are lot of restrictions once one bank comes into this PCA so how the environment is going to be going forward in terms of loan growth and other aspects? That will be helpful, sir.



- Mukesh Kumar Jain:** One thing is for sure that we have already submitted our plan to RBI and I personally cannot discuss this plan in media. We are a growing bank, you have seen in for last three, four quarters we are growing at the rate of 9%, 10% in credit and 6% to 7% in deposit. You can take it that way that we have already taken a step forward in coming out of PCA. If you see there is a provision which has been done. The kind of balance sheet we have prepared and I suppose we will be out of PCA by max one year.
- Bajrang Bafna:** And sir, what is the growth guidance that we are putting for this year? This 9%, 10% will be maintained?
- Mukesh Kumar Jain:** This will be maintained.
- Moderator:** Thank you. We have the next question from the line of Sneha Ganatra from Subhkam Ventures. Please go ahead.
- Sneha Ganatra:** Sir, wanted to know how do you see your recoveries and upgrades moving up and any target for your gross and net NPA for FY18 and FY19?
- Mukesh Kumar Jain:** Gross NPA we have already given the roadmap what is going to be the slippages and recovery we have already gross NPAs we are seeing around 17% and net NPAs is around 9.50% and the remaining slippages I would submit that like that will be around Rs. 2,000 crores.
- Sneha Ganatra:** And on the recovery?
- Mukesh Kumar Jain:** Recovery we are expecting Rs. 2,500 crores total and Rs. 1,500 crores upgradation for the entire year. So you can say Rs. 4,000 crores of total reduction in NPA books through recovery and upgradation will be there.
- Sneha Ganatra:** Okay and my second question is on the cost to income ratio which is best in the PSUs, which is around standing on 32% how do you see that movement?
- Mukesh Kumar Jain:** I can say that this is because of one transaction we have entered into but of course 32% will not be there in the next quarter but it will be substantially lower than what you have witnessed in June quarter.
- Sneha Ganatra:** Any target to maintain your PCR you have set in?
- Mukesh Kumar Jain:** PCR we have set a target of around 65% by year end.
- Moderator:** Thank you. We have the next question from the line of Sanket Chheda from IDFC Securities. Please go ahead.
- Sanket Chheda:** Sir, just want to reconfirm the slippages particularly for this quarter was around Rs. 5,000 crores?

- Mukesh Kumar Jain:** No, Rs. 3,082 crores.
- Sanket Chheda:** And out of this corporate slippages were how much?
- Mukesh Kumar Jain:** Corporate slippages are around Rs. 2,323 crores.
- Sanket Chheda:** Okay, and in that had you given the break up like sectors in this?
- Mukesh Kumar Jain:** Yes, that is available in our presentation. It is slide number 37. I can repeat that, five accounts in power sector amounting to Rs. 712 crores, four account in iron and steel Rs. 229 crores, 11 account in construction Rs. 747 crores and in textile 5 accounts Rs. 258 crores.
- Sanket Chheda:** And sir, have you done any study on like what would be the impact on our net worth when we move to Ind-AS the provisioning?
- Mukesh Kumar Jain:** That is going on. RBI has to come out with definitive rules. And definitive rules are not in place even for corporates.
- Sanket Chheda:** Okay, but some banks seem to have done some simulation and guiding some?
- Mukesh Kumar Jain:** See we are also doing some simulation and submitting to RBI but this information is not in public domain and I am not authorized to give this information in public domain till rules are prescribed.
- Moderator:** Thank you. We have the next question from the line of Jai Mundhra from Batlivala and Karani Securities. Please go ahead.
- Jai Mundhra:** Just in continuation with the last question, can you talk about a bit on the readiness of the Ind-AS implementation for our bank?
- Mukesh Kumar Jain:** Our bank is in readiness, we have already submitted our June results to RBI on proforma balance sheet prescribed by the RBI and we are awaiting comments from RBI on that.
- Jai Mundhra:** And is there any non-core assets that we are holding because possibly under PCA we may be more focusing on the non-core assets, is there any non-core asset that we are holding at this point of time?
- Mukesh Kumar Jain:** See we have already sold around Rs. 242 crores of non-core assets in the shape of some investments and of course we have locked one investment transaction with an investor in superannuation funds. So that is around Rs. 400 crores of extra gain you can say and in future also we will be whatever the opportunity available we would like to encash that.
- Jai Mundhra:** This Rs. 400 crores is the same which has resulted in lower staff cost, is that the correct understanding?

- Mukesh Kumar Jain:** Out of that Rs. 170 crores has resulted in lower staff cost.
- Jai Mundhra:** And where has the rest Rs. 230 crores gone or it is still not done?
- Mukesh Kumar Jain:** Transferring to the operating profit.
- Jai Mundhra:** Secondly sir, just wanted to know when would our AT-1 bonds would mature I mean the interest on AT-1 bonds when will they fall due?
- Mukesh Kumar Jain:** Actually this is an ongoing process, last year we paid out Rs. 500 crores of AT-1 bonds. This year we raised Rs. 1,000 crores of AT-1 bonds and whatever interest is becoming due we are paying on due dates.
- Jai Mundhra:** No, but is that an annual coupon?
- Mukesh Kumar Jain:** Yes.
- Jai Mundhra:** And when would be this annual coupon due date be, if you can just recollect?
- Mukesh Kumar Jain:** It is because these bonds have been raised on so many different, different rates so it comes on regular basis.
- Jai Mundhra:** Then last question from my side. Now we are running short of let us say under let us say below regulatory required capital. Can you provide some sense on the timeline of the capital infusion sir you mentioned that the Government of India should be putting in money? But can you provide some sense on the timeline can we be doing this thing let us say before third quarter or I mean any sense on that?
- Mukesh Kumar Jain:** Required capital before 31st March so the timeline is that We have to raise capital before 31st March. Whatever government provides we have already requested the government. Rest of that will either we will be going through rights issue or through QIP issue.
- Moderator:** Thank you. We have the next question from the line of Bajrang Bafna from Sunidhi Securities. Please go ahead.
- Bajrang Bafna:** Sir, just one thing I would like to understand. We see that our current market cap is around Rs. 4,500 crores and we are planning to raise around let us say Rs. 5,000 crores over next 6 months or may be 12 months' timeframe. So that amounts to huge dilution and our book value is roughly Rs. 400 currently and ruling price is one-third of what that. So if we go at the current market prices then there is a huge dilution which could be a dent from a longer term perspective for the minority shareholders. So any thought process or some sort guide is that how this dilution can be minimized?

- Mukesh Kumar Jain:** The dilution will be minimized in the shape that government will provides majority of the capital. Then government is thinking of providing the capital through e-capitalization bonds which are not going to dent the market. Then whatever is the remaining portion that will go to the market and against that we are already holding a book value of Rs. 315 per share.
- Bajrang Bafna:** No, I did not get you sir? The government will provide that in the form of equity only or there will be no dilution for the recap bonds which will come from the government?
- Mukesh Kumar Jain:** Equity only but that equity will not be available to the market for trading.
- Bajrang Bafna:** No, that is fine but sir our book value will be minimized in that sense if the government put money at the current market prices then our book value will reduce substantially?
- Mukesh Kumar Jain:** If you want to grow you mix capital, number one. And certain times you need to raise your capital for future value building. So this is a step in the direction of future value building of the bank because the bank is growing. If you see the industry growth and the bank's growth there is a huge difference. So always there is future value embedded in the growth of the bank and so that should compensate for this.
- Bajrang Bafna:** But are you people are demanding from the government because most of the banks like PNB, BOB if they get or the SBI, they are getting the investments from the bank higher than the book value but you are the only bank which is trading one-third of the book value currently. So if you dilute at these levels then from a longer term perspective it is definitely detrimental for the minority shareholders?
- Mukesh Kumar Jain:** But that is the fact of life.
- Bajrang Bafna:** Okay, so we have to live by that.
- Moderator:** Thank you. We have the next question from the line of Manish Agarwal from Phillip Capital. Please go ahead.
- Manish Agarwal:** Sir, can you explain why there is an improvement in the yield on advances on a QoQ basis? It has increased by almost 18 basis points, just one question. Second, do you recognize any cash interest from the stressed account in this quarter?
- Mukesh Kumar Jain:** Cash interest figure I am not having at present, number one. What was your earlier question, sorry?
- Manish Agarwal:** So what explains the improvement in your yield on advances on a sequential basis? It has increased by almost 18 basis points?
- Mukesh Kumar Jain:** My RAM sector is growing by 28% if you have seen the figure. And that is contributing to this.

- Manish Agarwal:** Can you come again please?
- Mukesh Kumar Jain:** My RAM sector is growing almost by 28% whereas the YoY growth is good and providing a good margin to that.
- Manish Agarwal:** Sir, can you give me the interest reversal number for Q1 and Q2 both?
- Mukesh Kumar Jain:** I think that is in presentation, if I am not wrong. It is for Q1 it is Rs. 204 crores.
- Manish Agarwal:** And Q2?
- Mukesh Kumar Jain:** 204 crore for Q1 And for Q2 it is Rs. 261 crores.
- Moderator:** Thank you. We have the next question from the line of Gaurav Jain from Reliance Mutual Fund. Please go ahead.
- Gaurav Jain:** Just a small question. On the slide number 23 I was looking at the composition of advances so on a quarter-on-quarter basis across RAM, like retail, agri, MSME all three we would have de-grown whereas the corporate credit would have grown. So can you provide some light on this kind of growth like for other banks most probably if I am not wrong we are seeing growth in RAM along with growth in corporate or not a growth in corporate but then RAM is growing for other bank. So why is this de-growth on a quarter-on-quarter basis?
- Mukesh Kumar Jain:** Quarter-on-quarter basis there is a degrowth because we have some IBPC have been paid that is the reason, full IBPC have been paid, matured rather.
- Gaurav Jain:** Across the three buckets?
- Mukesh Kumar Jain:** Yes.
- Moderator:** We have the next question from the line of Abhijeet Sakhare from Kotak Securities. Please go ahead.
- Abhijeet Sakhare:** Sir, one clarification on the decline on the staff cost again. You mentioned you monetize superannuation funds. So should we understand it as that you are kind of overprovided on your pension obligations and hence you are able to?
- Mukesh Kumar Jain:** We have locked that transaction with an investor. We continue to get the same rate of interest. What we have done is we have monetized the yield for that particular period and we continue to get that interest at the same level.
- Abhijeet Sakhare:** So there is no sale of investments as such?
- Mukesh Kumar Jain:** Not investment. It is only locking of the investments.



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- Abhijeet Sakhare:** So locking of interest rates can generate a onetime gain this is something that?
- Mukesh Kumar Jain:** Yes, this is a onetime gain, this is not a continuous gain.
- Abhijeet Sakhare:** Yes, but locking of an interest rate has resulted into onetime gain on those investments?
- Mukesh Kumar Jain:** Yes. And those investments continue to get the same rate of interest till maturity.
- Abhijeet Sakhare:** And secondly sir, the depreciation on investments is it related to any markdown of SRs or just general mark-to-market hit?
- Mukesh Kumar Jain:** General mark-to-market.
- Moderator:** Thank you. As there are no further questions from participants, I would like to hand the conference over to Mr. Bhavik Mehta for closing comments. Please go ahead, sir.
- Bhavik Mehta:** A special thank you to the management for participating and taking their time out to address the investor's query and thank you for the investors to participating.
- Moderator:** Thank you, gentlemen. Ladies and gentlemen, on behalf of Antique Stock Broking, that concludes this conference call. Thank you for joining us and you may now disconnect your lines.