South Indian Bank   Q3 2013 Earnings Call   24 Jan'13

Operator

Ladies and gentlemen, good day and welcome to the South Indian Bank Q3 FY13 Results Conference Call hosted by AnandRathi Share and Stock Brokers Limited. As a reminder, for the duration of the conference, all participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions at the end of today's presentation. Please note this conference is being recorded. I would now like to hand the conference over to Mr. Clyton Fernandes. Thank you, and over to you, sir.

Clyton Fernandes, Investor Relations

Thank you, Lavina. Good morning, everyone, and a warm welcome to all of you on behalf of AnandRathi Shares and Stock Brokers. Today we are hosting South Indian Bank's third quarter FY13 conference call to discuss their results. And we have with us, the distinguished members of the management team starting with Dr. V. A. Joseph, who we all know is the MD and CEO of the Bank; Mr. C. P. Gireesh, the CFO; Mr. Abraham Thariyan, who is the Executive Director; Mr. A. G. Varughese, the General Manager, Credit; and last but not the least, Mr. Murali, General Manager, Treasury. Initially Dr. Joseph will make a brief presentation on the Bank's results, after which the management will address questions from all participants.
I now hand over the call to Dr. Joseph. Over to you, sir.

V. A. Joseph, Chief Executive Officer, Managing Director

Yeah. Mr. Cheryan Varkey, Executive Director, is also here. You can just -- he is the Executive Director in-charge of Credit. He is also with us.

Clyton Fernandes, Investor Relations

All right, sir.

V. A. Joseph, Chief Executive Officer, Managing Director

So, I'm extremely happy to inform you that the Bank has declared the highest ever quarterly net profit of 128.25 crores during the third quarter of this year, registering a growth of 25.44%.

Net profit for the first nine months, therefore, comes to 348.45 crore, as against 279.70 crores for the corresponding period of previous year, registering a growth of 24.58%. The total business of the Bank increased by 9,606 crore from 58,884 crore to 68,490 crore on year-to-year basis, registering a growth of 16.31%.

The deposits are increased by 5,106 crore from 33,834 crore to 38,940 crore registering a growth of 15.09%. Advances increased by 4,500 crore from 25,050 crore to 29,550 crore, registering a growth of 17.96%. CASA of the Bank has increased by 678 crore from 7,280 crore to 7,958 crore, registering a growth of 9.31%.

The Bank earned a total income of 3,483 crore during the nine months ended December 2012 as against 2,754 crore for the corresponding period of the previous year, registering a growth of 26.46%. The net interest income increased by INR210 crores from INR737 crore to INR947 crore, registering a growth of 28.48%. Net interest margin has increased from 3.05 as on 31, December 2011 to 3.24% as on 31, December 2012.

Annualized earnings per share increased from INR3.29 as on 31, December 2011 to INR3.80 as on 31, December 2012. Book value per share increased from INR18.76 as on 31, December 2011 to INR22.13 as on 31, December 2012. The capital adequacy ratio of the Bank stood at 13.85 under Basel II standards against the regulatory requirement of 9%, but this is excluding the profit for the last nine months. If that is also taken into account, the capital adequacy ratio will be above 15%.

Now, we have with us Mr. Cheryan Varkey, Executive Director and Mr. A. G. Varughese both from the credit department and Mr. Abraham Thariyan, Executive Director, is with me, who will be answering the questions on deposits, administration and

NRI matters. And Gireesh is the CFO, and also Mr. Murali is with us, who will be answering your queries on treasury.

Questions And Answers

Operator

Thank you, sir. Should we begin the question-and-answer session?

Clyton Fernandes, Investor Relations

Yeah. Now, we can begin the Q&A.

Operator

Thank you very much. Participants, we will begin the question-and-answer session. (Operator Instructions). We will take our first question from the line of Mr. Kashyap Jhaveri from Emkay Global. Please go ahead.

Kashyap Jhaveri, Analyst

Good afternoon, sir, and congratulations for good set of numbers. Just wanted to check on margins. If I look at our average assets during the quarter, they have grown by about 3% on quarter-on-quarter basis. However, our interest income has grown by at least about 18% Q-on-Q, whereas if I look at our presentation, the reported margins have gone up by just about 11 basis points. So, is there any one-time income in this net interest income or what has gone into the calculations of margins, so wanted to understand that?

V. A. Joseph, Chief Executive Officer, Managing Director

Comparing to last quarter, this quarter there is no interest reversal, substantial interest reversal is not there. Last year, we had an interest reversal of 22.50 crore in respect of the major NPA which was slipped to the extent of 150 crore.

Kashyap Jhaveri, Analyst

Okay.

V. A. Joseph, Chief Executive Officer, Managing Director

That is why the margins are showing disproportionate income vis-a-vis last quarter.

Kashyap Jhaveri, Analyst

Okay, okay. So, okay, and second question is on the NPL side, if you could give us the movement in NPLs?

Unidentified Speaker

Gross NPA as on 30/9/2012 was 495.79 crores. Are you audible?

Kashyap Jhaveri, Analyst

Yes.

Unidentified Speaker

Recovery is 73.13 crores.

Kashyap Jhaveri, Analyst

Okay.

Unidentified Speaker

Amount written off is 0.80 crores.

Kashyap Jhaveri, Analyst

Okay.

V. A. Joseph, Chief Executive Officer, Managing Director

So, total deductions during the quarter is 73.93 crores.

Kashyap Jhaveri, Analyst

Okay.

V. A. Joseph, Chief Executive Officer, Managing Director

Additions is 52.67 crores.

Kashyap Jhaveri, Analyst

Sorry? I couldn't get the last number.

Unidentified Speaker

52.67 crores.

Kashyap Jhaveri, Analyst

Only 2.67 crores?

Unidentified Speaker

And leaving the net balance to 474 --.

Kashyap Jhaveri, Analyst

Hello?

Unidentified Speaker

Hello.

Kashyap Jhaveri, Analyst

Yeah.

Unidentified Speaker

Can you hear me?

Kashyap Jhaveri, Analyst

Yeah, I couldn't get the slippage number return in the quarter.

Unidentified Speaker

Additions during the quarter ended 31/12/2012 is 52.67 crores.

Kashyap Jhaveri, Analyst

Okay. 52.67 crores. Okay.

Unidentified Speaker

And really the net balance is 474.53 crores.

Kashyap Jhaveri, Analyst

Sure, sure. Yeah, thank you. That's it from my side. I'll come back in the queue for further questions.

Operator

Thank you, sir. (Operator Instructions). Our next question is from the line of Mr. Sri Karthik from Espirito Santo. Please go ahead.

Sri Karthik Velamakanni, Analyst

Good morning, sir. I have a couple of questions on the asset quality. Could you please elaborate on the status of NAFED account, and where are the provisioning -- the increase in provisioning is regarding the -- on the back of that?

V. A. Joseph, Chief Executive Officer, Managing Director

In fact in the NAFED account, in the last quarter itself we have booked it as an NPA. Subsequent to that there was an RBI inspection also and they permitted us in consultation with the auditors, a required provision has to be made, but they gave us a special concession [ph] by allowing us to have the provisioning done over a period of two years.

Sri Karthik Velamakanni, Analyst

Okay.

V. A. Joseph, Chief Executive Officer, Managing Director

However, the bank in its abundant wisdom and prudence have even decided to provide for the 100% of that over a period of two years in consultation with the auditors, and accordingly the provisions have been made.

Sri Karthik Velamakanni, Analyst

Sir, there's some news about negotiations being held with NAFED regarding the repayment of the dues and the probable haircut. So, do you think that 100% provisioning is required?

V. A. Joseph, Chief Executive Officer, Managing Director

No, it is -- no, you're right. The negotiations are still on and the State Bank of India Caps, SBI Caps is battering between the participants, banks and the Government of India. In fact, they scheduled the meeting on third of this month, but on the verge of that they postponed it for governmental reasons, or political reasons and we're expecting any time any call from them. But there is an offer from the side of the government to go up to 60% as a settlement measure. But still, as the government machinery moves in the same space, we as a prudent financial organization is even prepared to go for 100% provisioning, but subject to the condition that it does not come within this two years.

Sri Karthik Velamakanni, Analyst

And sir, secondly on the composition of deposits. I mean, I could not find the usual split up between the CA and SA in the NRE deposits in the current presentation if you could just give us the details of that.

V. A. Joseph, Chief Executive Officer, Managing Director

Yeah. That is CASA is roughly 8,000 crores basically.

Sri Karthik Velamakanni, Analyst

Correct. The split between the CA and SA?

V. A. Joseph, Chief Executive Officer, Managing Director

CA and SA will be, I should say around 6,500 crores is savings bank. The current account could be around 1,500 crores.

Sri Karthik Velamakanni, Analyst

Sure, sir. And the NRI deposits amount?

V. A. Joseph, Chief Executive Officer, Managing Director

NRI deposit is roughly 6,000 crores.

Sri Karthik Velamakanni, Analyst

So, it's seen a jump from -- what would be the number for the previous quarter?

V. A. Joseph, Chief Executive Officer, Managing Director

The previous, I'll tell you, one minute, previous quarter is, yeah, previous quarter, it is -- you are talking about the CASA or NRI?

Sri Karthik Velamakanni, Analyst

NRE -- NRI, sir.

V. A. Joseph, Chief Executive Officer, Managing Director

Yeah. The total NRI deposit was 5,600 crores, which has reached 6,000 crores.

Sri Karthik Velamakanni, Analyst

Which has reached to 6,000 crores.

V. A. Joseph, Chief Executive Officer, Managing Director

It's a 26%, 27% growth during this quarter.

Sri Karthik Velamakanni, Analyst

Okay. Understood sir. And sir, the risk-weighted assets number?

V. A. Joseph, Chief Executive Officer, Managing Director

Beg your pardon.

Sri Karthik Velamakanni, Analyst

The risk-weighted assets?

Unidentified Speaker

Risk-weighted assets.

Sri Karthik Velamakanni, Analyst

Yes.

Unidentified Speaker

20,270.

Sri Karthik Velamakanni, Analyst

Thanks. Very helpful. I'll join back in line, if I have any more questions.

V. A. Joseph, Chief Executive Officer, Managing Director

Thank you.

Operator

Thank you, sir. Our next question is from the line of Mr. Pradeep Agarwal from Emkay Global. Please go ahead.

Pradeep Agarwal, Analyst

Sir, our Tier 1 ratio has gone down during the quarter significantly and while we have seen that large part of the advances has come from the gold loan, so what has basically resulted in lower Tier 1 ratio?

V. A. Joseph, Chief Executive Officer, Managing Director

Can you kindly repeat again, because it was not very audible here.

Pradeep Agarwal, Analyst

Sir, my question is our Tier 1 ratio has come down from 12.3 in last quarter to 11.8 in this quarter. And if we look at the advance growth, the large part of it has come from the gold loan part, which is not that capital consuming. So, my question is what has basically resulted in lower Tier 1 ratio? What has resulted in decline in our Tier 1 ratio from 12.3 to 11.8? Hello? Yes.

V. A. Joseph, Chief Executive Officer, Managing Director

The asset base has gone up.

Pradeep Agarwal, Analyst

Asset?

V. A. Joseph, Chief Executive Officer, Managing Director

Risk-weighted asset.

Pradeep Agarwal, Analyst

Yeah, but that's because of gold loan, right?

V. A. Joseph, Chief Executive Officer, Managing Director

No, no, no, no. The component of gold loan, that remained at 22 percentage of my total advances.

Pradeep Agarwal, Analyst

Okay. So, 22% of the total advances and what's the split between your priority and non-priority?

V. A. Joseph, Chief Executive Officer, Managing Director

Priority, non-priority.

Pradeep Agarwal, Analyst

Yeah.

Unidentified Speaker

Priority sector advances is around 20%. When you take the ANBC as on 31st of March, 2012, on a progressive basis we expect that it will go up.

Pradeep Agarwal, Analyst

No, no, gold, gold. I'm asking on the gold loan part that what's the agri component and what's the component which is non-agri?

Unidentified Speaker

Only one total is 6,500 plus, whereas the priority sector advances is little less than 1,000 crores.

Pradeep Agarwal, Analyst

No, but in the presentation we have given 6,538 as non-priority.

Unidentified Speaker

Total priority and that the 1,000 odd crores is out of gold loan priority sector classes.

V. A. Joseph, Chief Executive Officer, Managing Director

Yeah.

Pradeep Agarwal, Analyst

Sir, still I'm not clear, actually because in your presentation, we have been given as 6,538 as non-priority. So, if you could clear that split between non-priority, plus priority and the total?

Unidentified Speaker

Now, see the presentation, it has been corrected late in the night.

Pradeep Agarwal, Analyst

Okay, okay, okay. Okay, fine, I'll check that. And -- okay, sir. That's it. Thank you.

Operator

Thank you. Our next question is from the line of Adarsh P from Prabhudas Lilladher. Please go ahead.

Adarsh Parasrampuria, Analyst

Sir, I think just wanted to check, if you kind of calculate your PSL compliance as of date based on PSL advances and the advances outstanding, the total advances outstanding as of now, what could be your PSL compliance?

V. A. Joseph, Chief Executive Officer, Managing Director

Sir, in fact, in the previous question, I just answered that it is, the priority sector advances is 20% of the overall advances based on the increased ANBC as on 31/12/2012. On a progressive basis only at the end of this financial year, we have geared up our internal machinery in such a way that all agricultural graduates have been appointed and that they have been grouped in different clusters, so that impetus for the agriculture advances will be given from our side and apart from that there has been an enhancement in the scope of priority sector by the Reserve Bank of India, and these things will enable us to move to between 30% to 33% of our advances to priority sector by the end of this March.

Adarsh Parasrampuria, Analyst

So you are saying from 20% to 30% you will be able to do that in a single quarter and --?

V. A. Joseph, Chief Executive Officer, Managing Director

Definitely, definitely, because you will see that our expansion of credit has been 18% right now and any increase in that we expect that gold loans will also increase which largely may be to the priority sector side and we have fine-tuned the interest rate and that we have internally fined-tuned our machinery in such a way that all the agriculture graduates, engineering graduates are also channelized for getting SMEs which are falling under the priority sector scope and also agriculture advances in the length and breadth of the country.

Adarsh Parasrampuria, Analyst

Understand, sir. Just one last question, sir. Till now I generally don't know how it works, but have you got any RIDF calls for last year's shortfall? Has that been -- has there been an increase?

V. A. Joseph, Chief Executive Officer, Managing Director

Yeah, RIDF last year, our allocation was around 900 crores.

Adarsh Parasrampuria, Analyst

Okay. 900 crores?

V. A. Joseph, Chief Executive Officer, Managing Director

Yeah.

Adarsh Parasrampuria, Analyst

Okay.

V. A. Joseph, Chief Executive Officer, Managing Director

It's the allocation.

Adarsh Parasrampuria, Analyst

Sir, and what was it say in the previous year before so this is when you say 900 crores, this is for FY12 shortfall?

V. A. Joseph, Chief Executive Officer, Managing Director

Yeah.

Adarsh Parasrampuria, Analyst

And what would have been this number before that?

V. A. Joseph, Chief Executive Officer, Managing Director

Before that it was around 350 crores.

Adarsh Parasrampuria, Analyst

Okay. So our -- so this particular number of 900 crores will be drawn over the next three, four years is, is what generally it happens, right?

V. A. Joseph, Chief Executive Officer, Managing Director

Yes.

Unidentified Speaker

Yes.

Adarsh Parasrampuria, Analyst

And sir, where is our RIDF book now? The last question here.

V. A. Joseph, Chief Executive Officer, Managing Director

It's around 800 crores.

Adarsh Parasrampuria, Analyst

800 crores is our RIDF book?

V. A. Joseph, Chief Executive Officer, Managing Director

Yeah.

Adarsh Parasrampuria, Analyst

Perfect sir. Thank you very much.

Operator

Thank you. Our next question is from the line of Mr. Sreesankar from Tata Securities. Please go ahead.

Sreesankar Radhakrishnan, Analyst

Good morning, gentlemen. Couple of questions. Sir, you mentioned about your Basel II risk from Tier 1 et cetera. We have to implement Basel III from 1st of April. Given the choice on what would be our common equity Tier 1 as for Basel III?

V. A. Joseph, Chief Executive Officer, Managing Director

I mean, Tier 1 is 11.78 and Tier 2 is 2.07. And as per Basel III, Basel III, the Tier 2 capital is restricted to 2%, and perfectly within the parameters as per Basel III.

Sreesankar Radhakrishnan, Analyst

No, my question was the common equity Tier 1, that is 11.78, that's what you have -- telling here?

V. A. Joseph, Chief Executive Officer, Managing Director

Yes.

Sreesankar Radhakrishnan, Analyst

Okay. The second question is with regard to your NIMs. What is the management guidance on to what extent that you will be able to take up your NIMs because it's -- if I look at it, it's at an all-time high, at 324?

V. A. Joseph, Chief Executive Officer, Managing Director

Yeah, yeah. This quarter it is -- quarter alone it is 3.53.

Sreesankar Radhakrishnan, Analyst

Yeah.

V. A. Joseph, Chief Executive Officer, Managing Director

And if you see the June quarter it was 3.15.

Sreesankar Radhakrishnan, Analyst

Yeah.

V. A. Joseph, Chief Executive Officer, Managing Director

So we are hopeful of maintaining at 3.1 to 3.15.

Sreesankar Radhakrishnan, Analyst

Some of the amount would have also come from the -- NIMs would have -- the expansion would also come from the capital raising that you have done. But my question is, I don't want to look for a quarter per se, for a year as a whole if I look at it, to what extent you think that you can take up your NIMs. Again it's a function of your spreads as well, so just literally asking for a guidance.

V. A. Joseph, Chief Executive Officer, Managing Director

Okay. Our aim is to maintain something -- anything above 3.

Sreesankar Radhakrishnan, Analyst

Okay. Anything above 3. Sir, can I go ahead with another two questions, please?

V. A. Joseph, Chief Executive Officer, Managing Director

Yes. That can be privately answered, no, or -- no, yeah, you can ask it.

Unidentified Speaker

Yeah.

Sreesankar Radhakrishnan, Analyst

Yeah. The cost-to-income ratios, again, this has gone down to now 44% for the nine months, 44.7. We have been opening a large number of branches, not in Kerala, but outside Kerala, et cetera. To what extent are these branch openings started to yield result in terms of -- initial part, it will be incurring costs, have they started contributing at that time [ph] or will you see that the cost to operating income which is at 44.7, which will -- there is a scope for bringing it further down?

V. A. Joseph, Chief Executive Officer, Managing Director

Hello. As far as our new branch opening are concerned, within the second year definitely we are making profits as per our experience has been. So we have opened up to 50 branches last year and 50 branches this year. And they have been giving us more revenues. Whatever has been opened up to 2011, we have been -- they have turned to profit actually. And with regard to the branch, cost income ratio from 44, we want to reduce it to 40% within the next three years.

Sreesankar Radhakrishnan, Analyst

40?

V. A. Joseph, Chief Executive Officer, Managing Director

Yes. 40, within a band of next three years.

Sreesankar Radhakrishnan, Analyst

Okay. My final question is with regard to your breakup of the provisions that you have got. For restructured accounts in the current quarter you have provided for 8 crores, does it mean that this account has -- is it a slippage to NPAs in the restructured or is it for the standard provisioning that you have made for the restructured accounts?

V. A. Joseph, Chief Executive Officer, Managing Director

Provisioning for restructured is concerned --

Unidentified Speaker

In fact, the provisioning which we have done is on account of the Bharatiya Samudraya [ph], which was an NPA account, which was booked as on September as an NPA account, but it was under the CDR.

Sreesankar Radhakrishnan, Analyst

Okay.

Unidentified Speaker

As they complied with the CDR package, the original state of the health can be brought back. And accordingly this was brought back to the standard assets and in fact, there has been a write-back of the provisions. But it has been considered to be a restructured account during this quarter with a little outstanding of 8 crores.

Sreesankar Radhakrishnan, Analyst

Sir, I didn't understand that. Sorry.

V. A. Joseph, Chief Executive Officer, Managing Director

Sir, one of the major account which was actually a restructured account, but for the implementation of CDR package, we have temporarily classified it as NPA.

Sreesankar Radhakrishnan, Analyst

Okay.

V. A. Joseph, Chief Executive Officer, Managing Director

That has been upgraded during the quarter, but being a restructured account, the present value provisioning has to be done on that.

Sreesankar Radhakrishnan, Analyst

Okay.

V. A. Joseph, Chief Executive Officer, Managing Director

That is why the restructuring provision is falling around 6 crores.

Sreesankar Radhakrishnan, Analyst

6 crores. Okay. Because if you look at slide 13, there is an INR8.2 crores provisioning for restructured account, which was in 2Q, there was nothing. That's the reason why I asked the question.

V. A. Joseph, Chief Executive Officer, Managing Director

It is -- it has reclassification from NPA to standard restructures.

Sreesankar Radhakrishnan, Analyst

Standard restructures, okay. A quick question, what is the total restructured accounts that we have, an amount, not the number?

V. A. Joseph, Chief Executive Officer, Managing Director

It's 1348.2.

Sreesankar Radhakrishnan, Analyst

1348.--?

V. A. Joseph, Chief Executive Officer, Managing Director

-- two crores.

Sreesankar Radhakrishnan, Analyst

This is the cumulative restructured.

V. A. Joseph, Chief Executive Officer, Managing Director

Yeah. Cumulative restructured.

Sreesankar Radhakrishnan, Analyst

Of this cumulative restructured, how much have actually completed one year in the moratorium and properly functioning in all its aspects.

V. A. Joseph, Chief Executive Officer, Managing Director

In fact, you're quite right. Only 800 crores is remaining within the band of two years.

Sreesankar Radhakrishnan, Analyst

Okay. 800 crores is within the band of two years. That means 548 crores is the new accounts and I didn't get you. Sir, can you come again?

V. A. Joseph, Chief Executive Officer, Managing Director

500 and odd numbers are beyond the band of two years.

Sreesankar Radhakrishnan, Analyst

Beyond the band of two years. Okay, thank you.

Operator

Thank you. (Operator Instructions). Our next question from the line of Mr. Abhishek Jaiswal from Reliance. Please go ahead.

Abhishek Jaiswal, Analyst

Hello, sir. I just wanted to know about your CASA strategy going ahead.

V. A. Joseph, Chief Executive Officer, Managing Director

Yeah.

Abhishek Jaiswal, Analyst

So, it's improved and now it's around 21%. So -- and you have given in your presentation that's going to improve 1% per annum. So what is the strategy on that?

V. A. Joseph, Chief Executive Officer, Managing Director

And actually we're bringing out new, new products for CASA. We have in the current account basically; we have a CD Smart which is with larger balances with a lesser amount of charges. And NRIs, we're promoting in a larger way with business in savings bank has increased because we have been opening a larger number of accounts.

We're doing arrangements with the various (inaudible) which have increased considerably this year. The remittances have increased substantially this year. So I think from the NRI SB sector, we expect a good increase during this year.

So, I think all together we should be able to reach our -- now the percentage of CASA is around 9.31% growth for the year-to-year. We should be able to reach at least 12% that is what we planned.

Abhishek Jaiswal, Analyst

Okay, sir. Thank you so much.

Operator

Thank you. Our next question from the line of Nandita Parker from Karma Capital. Please go ahead.

Nandita Parker, Analyst

Yeah. I just wanted to understand the gold loan strategy now. And what is the impact of the RBI's recommendations and on your business relies on NBFCs, what is your take on it?

V. A. Joseph, Chief Executive Officer, Managing Director

As has been discussed in the paper, the last report on NBFC gold loan, NBFC has been quite positive, because the loan to value has been increased, which has been taken positively by the market also. I mean we expect the gold loan company, NBFC gold loan company should be having a good future, both -- one for this reason and number two, on a financial inclusion mechanism, these companies are playing a good role. That is as far as NBFC gold loan company is concerned.

Then for South Indian Bank, we continue to have the focused attention on gold loan as an excellent product for obvious reason. I mean, banks have decided that we'll be containing at around 25% of the growth advantage, we are holding it around 22%. So the normal growth, as we grow in the overall advance portfolio, we would be doing the gold loan portfolio also.

Nandita Parker, Analyst

And what do you expect the growth to be?

V. A. Joseph, Chief Executive Officer, Managing Director

Around 3 -- 325%. Are you getting me?

Nandita Parker, Analyst

Yeah, I got it. I haven't received your presentation, so maybe afterwards I can -- you could send that to me.

Unidentified Speaker

It's in the site.

Nandita Parker, Analyst

Yeah. Thank you.

Operator

Thank you. Our next question is from the line of Hiren Dasani from Goldman Sachs. Please go ahead.

Hiren Dasani, Analyst

Yeah. Thank you, sir. I don't know whether it was told earlier, but just want to understand this whole NAFED thing, how -- I mean, what kind of exposure we had, whether it is secured, unsecured and I mean, whether it is working capital et cetera?

V. A. Joseph, Chief Executive Officer, Managing Director

This was sanctioned based on the hypothecation of two separate godowns and the receivables.

Hiren Dasani, Analyst

Okay.

V. A. Joseph, Chief Executive Officer, Managing Director

Because basically a working capital finance which were given, but in the form of a short term finance, working capital finance. It was being rolled over to the extent of 150 crores. And one-time the Government of India suggested that we will give you a guarantee and increase the exposure 250 crores. But that got delayed and hence we kept our exposure only to 150 crores.

In between liquidity problems came into NAFED and there has been a delay in servicing the obligations and hence it slipped into NPA.

Hiren Dasani, Analyst

Okay. But this is a secured exposure, right, against --?

V. A. Joseph, Chief Executive Officer, Managing Director

It was considered to be a secured exposure, but as of now, since the activities of the NAFED are in the subdued form, they are unable to give us a definite DP supported by the stock statement in various godowns. That is known to everybody, because the activities of the NAFED and the management of the NAFED are less active right now, because there has been some problems in the management of it and hence there has been liquidity crisis, the NAFED that it has been facing. And hence, they are unable to give us a definite DP statement or a stock statement so as to enable us to categorically consider it as a secured advance.

Hiren Dasani, Analyst

Okay. So you're treating it as unsecured as of now?

V. A. Joseph, Chief Executive Officer, Managing Director

We, in consultation with the auditors, we have to.

Hiren Dasani, Analyst

Okay. And RBI is also asking for banks to treat it as unsecured only?

V. A. Joseph, Chief Executive Officer, Managing Director

They said that what provision you and your auditors decide in between after having looked into the other evidences which is available, you decide on the provisioning. In fact, in the balance sheet, if you would have looked at the balance sheet of the NAFED as on 31st of March 2012, they have acknowledged that there is a secured advance outstanding to our bank also.

Hiren Dasani, Analyst

Okay, okay, okay, okay. And, sorry, I missed it, how much time RBI has given dispensation to -

V. A. Joseph, Chief Executive Officer, Managing Director

Up to 14th March.

Hiren Dasani, Analyst

14th March. To March 14th, but you are saying that you are providing it on an accelerated basis.

V. A. Joseph, Chief Executive Officer, Managing Director

Exactly, exactly, based on the -- as a prudent measure.

Hiren Dasani, Analyst

And you intend to provide it by, what, March 13?

V. A. Joseph, Chief Executive Officer, Managing Director

No, we will not be -- 60% of their provisional requirement will be made by March 2013.

Hiren Dasani, Analyst

60% of 150 crore as of now.

V. A. Joseph, Chief Executive Officer, Managing Director

Yeah. Exactly.

Hiren Dasani, Analyst

Will be made. And the rest 40% will be over the next four quarters.

V. A. Joseph, Chief Executive Officer, Managing Director

(inaudible), yeah. And in between the settlements can also come.

Hiren Dasani, Analyst

Yes. Now, sir, this is, I mean, is this a government-owned company, 100% government-owned company?

V. A. Joseph, Chief Executive Officer, Managing Director

50%. This is multistate cooperative society, 50% of the shares are held by the governments.

Hiren Dasani, Analyst

Government of India?

V. A. Joseph, Chief Executive Officer, Managing Director

Yeah.

Hiren Dasani, Analyst

And 50% is by the state co-operative.

V. A. Joseph, Chief Executive Officer, Managing Director

Yeah by various state governments.

Hiren Dasani, Analyst

Okay. But government is asking you to take the haircut here as part of the settlement?

V. A. Joseph, Chief Executive Officer, Managing Director

That's the policy of the government that -- they have given that -- the suggestion to the bankers and many bankers have refused to accept that, whereas South Indian Bank, as a prudent banker, we decided that even if 60% is certain that we may go ahead with that.

Hiren Dasani, Analyst

Yeah. No, that is fine, it's a commercial consideration. But I may think that -- I mean, everybody would have lent on the basis of the understanding that it's a government-backed credit, right?

V. A. Joseph, Chief Executive Officer, Managing Director

Yes. It was also an agricultural advance as per RBI definition at that point of time.

Hiren Dasani, Analyst

Yeah. So, I mean, it's a government owned entity and government itself is asking you to take the haircut. Is that the correct understanding?

V. A. Joseph, Chief Executive Officer, Managing Director

I think it will be a one-to-one decision which each bank has to take with the governments.

Hiren Dasani, Analyst

Okay, okay. And this -- the negotiation is being driven by Government of India or by the state government?

V. A. Joseph, Chief Executive Officer, Managing Director

Yes, yes. The bankers -- bankers have already nominated SBI Caps to go between the government and the bankers and they're doing a service for the bankers and also for the government and in fact a meeting was convened as I have already told you on 3rd of this month, it was postponed because of political, maybe some kind of turmoil which has happened there. And we expect at any time any call from the Government of India.

Hiren Dasani, Analyst

Okay, okay. Thank you very much, sir, for this explanation.

Operator

Thank you. Our next question is from the line of Jaymin Trivedi from ICICI Direct. Please go ahead.

Jaymin Trivedi, Analyst

All my questions have been answered. Thank you.

Operator

Thank you. Our next question is from the line of Sohail Halai from Motilal Oswal. Please go ahead.

Sohail Halai, Analyst

Yeah. Good morning, sir. Good set of numbers. Sir, basically few questions about the margins. This quarter it was around 3.5% and we're heading for around 3% to 3.1%. So what are we looking at in the margins, or why would it fall so significantly over next few quarters?

V. A. Joseph, Chief Executive Officer, Managing Director

The thing is that we -- everybody is expecting a rate cut and probably we will also have to revise our base rate and more to that during the last quarter the cost of funds also there is every possibility of going up because of the increased market activities.

Sohail Halai, Analyst

Okay.

V. A. Joseph, Chief Executive Officer, Managing Director

So that is why the overall for the entire year has something more than 3%. We never said that it is 3%, it is above 3%.

Sohail Halai, Analyst

3.1 to 3.2 basically?

V. A. Joseph, Chief Executive Officer, Managing Director

Yeah.

Sohail Halai, Analyst

Okay. And, sir, what was your exposure to Bharatiya Samudraya be?

V. A. Joseph, Chief Executive Officer, Managing Director

It was, say, around 40 crores, but finally, the advance remains at only 8 crores.

Sohail Halai, Analyst

Sorry, I didn't get that.

V. A. Joseph, Chief Executive Officer, Managing Director

No, overall exposure was around 40 crores.

Sohail Halai, Analyst

Yeah.

V. A. Joseph, Chief Executive Officer, Managing Director

Yeah. Now, after restructuring package and bringing it to standard, the advanced portfolio, the advanced portion of that remains only at 8 crores.

Sohail Halai, Analyst

So how is the restructuring being done?

V. A. Joseph, Chief Executive Officer, Managing Director

Yeah. It was already there in the CDR.

Sohail Halai, Analyst

Okay.

V. A. Joseph, Chief Executive Officer, Managing Director

Because they had to comply with certain requirements and the promoters complied with it during this quarter and we kept it as a standard.

Sohail Halai, Analyst

Okay. Sir, actually I did not understand the point that overall exposure was 40 crores, but now in the advance book it is only 8 crores.

V. A. Joseph, Chief Executive Officer, Managing Director

In the CDR -- on this package, a portion of -- a major portion of that ought to have been converted into OC, optionally convertible debentures.

Sohail Halai, Analyst

Okay, okay, okay.

V. A. Joseph, Chief Executive Officer, Managing Director

It's done. So hence the advance portion has come down.

Sohail Halai, Analyst

Okay, okay. And sir, can I have a breakup of NRE term deposits -- NRE deposits?

V. A. Joseph, Chief Executive Officer, Managing Director

Yeah. NRE term deposits, if you see the total business, NRE SB is around 1,500 crores, NRE SB, NRO SB is also around 100 crores. NRE term deposits of the low cost fee is roughly 80 crores.

Sohail Halai, Analyst

Okay.

V. A. Joseph, Chief Executive Officer, Managing Director

And NRE normal rates what are prevalent today that is around 3,350 crores.

Sohail Halai, Analyst

3,350 crores.

V. A. Joseph, Chief Executive Officer, Managing Director

And FCNR is around 400 crores.

Sohail Halai, Analyst

FCNR is 400 crores.

V. A. Joseph, Chief Executive Officer, Managing Director

So total it is -- it comes to 6,000 crores.

Sohail Halai, Analyst

Okay. Sir can I get previous quarter numbers as well?

V. A. Joseph, Chief Executive Officer, Managing Director

Previous quarter actually it was 5,679 crores, actually the low cost was 127 crores of term deposits of NRE.

Sohail Halai, Analyst

Okay.

V. A. Joseph, Chief Executive Officer, Managing Director

It has come down to 18 now, it can be in small figure only, so it is not going to affect us at all.

Sohail Halai, Analyst

Okay. Sir, NRE SB and NRO SB, can I get that figure?

V. A. Joseph, Chief Executive Officer, Managing Director

Sure. It was 1,000 crores, the low cost NRE.

Sohail Halai, Analyst

Okay.

V. A. Joseph, Chief Executive Officer, Managing Director

So it has already been absorbed in the system now.

Sohail Halai, Analyst

Okay. Sir, and hasn't there any reclassification of the loan book because if I see your loan break up, then SME advances seems to have grown quite sharply on a quarter-on-quarter basis from around 2,390 to around 3,280. So hasn't there any reclassification or what is driving this growth?

V. A. Joseph, Chief Executive Officer, Managing Director

Sir, it is obvious that because that the RBI has enlarged the scope of the priority sector SME from 20 lakhs to 2 crores.

Normally every working capital is renewed every year. So those who are falling due during this and the new SME loans booked will definitely have the tag of priority sector.

Sohail Halai, Analyst

Okay. And sir, again on the loan book side, our infrastructure growth has been quite strong as well.

We have been growing our book quite sharply over there. So what is driving that growth and don't we think there is stress in this segment?

V. A. Joseph, Chief Executive Officer, Managing Director

Infra, we have already stopped further lending for the last almost one year.

Sohail Halai, Analyst

Okay. Sir, but if I go to see the book, it is now at around 5,000 crores, that was at the end of FY12, that was around 3,500 crores.

V. A. Joseph, Chief Executive Officer, Managing Director

That's what I am telling, further fresh lending has been stopped, which was sanctioned and then was under disbursement is only what is going on.

Sohail Halai, Analyst

Okay.

V. A. Joseph, Chief Executive Officer, Managing Director

Yeah, say, I mean, major portion, maybe around 1,300 crore would be to the power sector.

Sohail Halai, Analyst

Okay.

Unidentified Speaker

And then road is there. Then educational institutions are there.

Sohail Halai, Analyst

Okay.

Unidentified Speaker

Yes.

Sohail Halai, Analyst

Sir, in the power sector, can I get a break-up of how much of it would be to SEBs?

V. A. Joseph, Chief Executive Officer, Managing Director

To?

Sohail Halai, Analyst

SEBs, state electricity boards.

V. A. Joseph, Chief Executive Officer, Managing Director

State electricity boards, I can give the exact numbers maybe later.

Sohail Halai, Analyst

Okay, no problem.

V. A. Joseph, Chief Executive Officer, Managing Director

It's 800 crores.

Sohail Halai, Analyst

Okay.

V. A. Joseph, Chief Executive Officer, Managing Director

The actual number, I can give you later.

Sohail Halai, Analyst

No problem, sir. Sir, and of the overall restructured book, how much would it be from SEB and Air India?

V. A. Joseph, Chief Executive Officer, Managing Director

Air India, nil. Then what is your other account?

Unidentified Speaker

State electricity boards, you mean?

Sohail Halai, Analyst

Yeah. Yes, sir.

V. A. Joseph, Chief Executive Officer, Managing Director

Nil.

Sohail Halai, Analyst

Both are nil.

V. A. Joseph, Chief Executive Officer, Managing Director

You are asking for restructured.

Sohail Halai, Analyst

Yeah, restructure -- in restructuring book.

V. A. Joseph, Chief Executive Officer, Managing Director

It will be around 750.

Sohail Halai, Analyst

750, SEB. Okay.

Unidentified Speaker

In fact, that is not SEBs, that is discount company.

V. A. Joseph, Chief Executive Officer, Managing Director

A discount company.

Sohail Halai, Analyst

Okay. So what are the res SEBs that are likely to get restructured?

V. A. Joseph, Chief Executive Officer, Managing Director

No, not even one. Not even one is lined up for any restructuring.

Sohail Halai, Analyst

Okay. Sir, the SEB, you said, 750, which are the SEBs that are restructured in this?

V. A. Joseph, Chief Executive Officer, Managing Director

Discounts.

Unidentified Speaker

Various discounts.

V. A. Joseph, Chief Executive Officer, Managing Director

Discounts which are Jodhpur, Ajmer, Uttar Pradesh and Jaipur.

Sohail Halai, Analyst

Jaipur?

V. A. Joseph, Chief Executive Officer, Managing Director

Yes, which are backed by government guarantees.

Sohail Halai, Analyst

Sir, can you repeat the names again, please?

V. A. Joseph, Chief Executive Officer, Managing Director

Jodhpur Vidyut.

Sohail Halai, Analyst

Jaipur Vidyut?

V. A. Joseph, Chief Executive Officer, Managing Director

Ajmer Vidyut.

Sohail Halai, Analyst

Sorry.

V. A. Joseph, Chief Executive Officer, Managing Director

Ajmer Vidyut, all in Rajasthan.

Sohail Halai, Analyst

Okay.

V. A. Joseph, Chief Executive Officer, Managing Director

Then Jaipur Vidyut and Uttar Pradesh Power Corporation, all these are backed by government guarantees.

Sohail Halai, Analyst

Okay, okay. Sir, and what is the other exposure to SEBs that are yet to be restructured, can you actually name them?

Unidentified Speaker

There's nothing that's been restructured.

V. A. Joseph, Chief Executive Officer, Managing Director

There is nothing to be restructured, all are being serviced that has been there in the system for quite a long time especially the Kerala State Electricity Board, Tamil Nadu State Electricity Board, these two are mainly.

Sohail Halai, Analyst

Okay. So can I have the exposure as well, if you don't mind?

Unidentified Speaker

200 crores to Kerala and about 50 crores to Tamil Nadu.

V. A. Joseph, Chief Executive Officer, Managing Director

Yeah. That's all.

Sohail Halai, Analyst

200 crores to Kerala and --

Unidentified Speaker

And around 50 crores.

Sohail Halai, Analyst

And 50 crores, okay. Sir, can I get your yield on investments and -- for the quarter yield on investment and cost of funds?

Unidentified Speaker

Sohail Halai, Analyst

7.21. And sir, cost of funds?

Unidentified Speaker

7.38.

Sohail Halai, Analyst

7.38. And sir, similarly yield on funds?

V. A. Joseph, Chief Executive Officer, Managing Director

7.39.

Sohail Halai, Analyst

7.39. Okay. Sir, and last thing on my side, can I get the break-up of your investment book as well?

V. A. Joseph, Chief Executive Officer, Managing Director

Murali?

N. A. Murali, General Manager, Treasury

This is under AFS as on 31/12/2012, 748 crores.

Sohail Halai, Analyst

748 crores.

N. A. Murali, General Manager, Treasury

HTM 8,254 crores.

Sohail Halai, Analyst

8,250 --

N. A. Murali, General Manager, Treasury

54.

Sohail Halai, Analyst

Okay.

N. A. Murali, General Manager, Treasury

The total 9,002 crores.

Sohail Halai, Analyst

Okay.

N. A. Murali, General Manager, Treasury

And their 91% is in HTM.

Sohail Halai, Analyst

Okay.

N. A. Murali, General Manager, Treasury

9% in AFS and HFT.

Sohail Halai, Analyst

Okay. And what would the duration be?

N. A. Murali, General Manager, Treasury

Duration of AFS plus HFT we maintain 2.45 as on December 2012.

Sohail Halai, Analyst

Okay.

N. A. Murali, General Manager, Treasury

And the entire duration of the portfolio is 4.4 crore.

Sohail Halai, Analyst

Okay. And sir, last thing, break-up of non-interest income for the quarter?

V. A. Joseph, Chief Executive Officer, Managing Director

Non-interest income for the quarter basically is 67 crores for the quarter and for the nine-month period, if you take, I guess, 213 crores. It was -- the previous corresponding year, it was 154 crores. 154 to 213 it has gone up for the corresponding period.

Sohail Halai, Analyst

Okay, okay, okay. So the number that you've actually given in the presentation is for the nine months, right?

V. A. Joseph, Chief Executive Officer, Managing Director

Yes. It's nine months.

Operator

Mr. Sohail, may we request you to come back in the queue for more questions. We'll take our next question from the line of Sneha Kothari from Subhkam. Please go ahead.

Sneha Kothari, Analyst

Hello. Sir, just wanted to know what is the outlook on the fee income growth, first question. And second, on the advance front, which are your growth segments which we are focusing apart from the gold loan? And third, wanted to know your views on the asset quality, recently we have -- your views on the asset quality.

V. A. Joseph, Chief Executive Officer, Managing Director

The first question I'll answer. The fee income has gone up substantially by -- from 154 crores to 213 crores. And the prospects for the fee income for this quarter also is very good. And we should be able to reach around 200, 300 crores definitely by March. And this includes sale of gold, LIC products and the techno products et cetera.

Sneha Kothari, Analyst

On the advance front, which are the area we are focusing apart from the gold loan?

Unidentified Speaker

The advance front, we said, we'll be growing around 23%, 25%. Already, we are holding sanctions, disbursed and partly disbursed or to be disbursed to the tune of around 3,000 crores. So it's number one. And number two, gold loan we are expecting to grow at the same pace at which other assets are growing, maybe around 22% to 23%. So these are the two things on which we have -- growth always we will be having. And as was explained earlier, we are slightly focused to improve the agri advances and priority sector advances.

Sneha Kothari, Analyst

Okay. And just wanted to know what the outlook on the asset quality, recently you have shown a strong performance?

V. A. Joseph, Chief Executive Officer, Managing Director

Quality should only from here we hope to improve, because on a progressive basis once we start providing for NAFED, which was biggest (inaudible) over a period of time. And once that is out of the books, which is on the settlement, everything should be much, much better picture later.

Sneha Kothari, Analyst

Any restructuring account in the pipeline?

V. A. Joseph, Chief Executive Officer, Managing Director

Not -- nothing as of date.

Sneha Kothari, Analyst

Okay. Thank you, sir.

Operator

Thank you. Our next question is from the line of Mr. Jigar Valia from OHM. Please go ahead

Jigar Valia, Analyst

One clarification on NAFED. How much have we actually provided in Q2 and Q3, the target is to provide 90 crores by March?

N. A. Murali, General Manager, Treasury

First quarter, it was 22.5.

Jigar Valia, Analyst

Okay.

N. A. Murali, General Manager, Treasury

Current quarter it is 33.75.

Jigar Valia, Analyst

33.75, okay.

N. A. Murali, General Manager, Treasury

Sir, we have provided 56.25.

Jigar Valia, Analyst

Okay, okay. Okay, so the balance 45 -- 35 should come in the Q4?

N. A. Murali, General Manager, Treasury

Yes. Actually 33.75.

Jigar Valia, Analyst

Perfect, perfect. And, sir, if you can just elaborate more on in terms of your strategy to increase agri in Q4.

V. A. Joseph, Chief Executive Officer, Managing Director

In fact, I have already explained in one of the other queries that we have already regrouped external officers who have been recruited and available in the system so as to give emphasis to agriculture advances. Secondly, we have reduced and fine-tuned the rate of interest to be competitive in the market so that the agricultural advance will give a good impetus. And thirdly, we are also going into the Maharashtra and (inaudible) areas where agriculture activities are going ahead in all steam, so that we will get a share of that also. And in fact we expect that our agricultural advances, which is around 10% right now, it has to grow up.

Jigar Valia, Analyst

Okay, okay. So, how much would be the rate reduction? I think there was competition from the PSU banks, because they get this 5% intervention as subvention.

V. A. Joseph, Chief Executive Officer, Managing Director

Exactly, you are right. Absolutely right. They have been praising this before the Reserve Bank of India and the central government. Unless the central government permits all the scheduled commercial banks across the spectrum to have these interest subvention provided, the private sector banks are at a disadvantageous position. Even then we have been increasing our advance portfolio -- the agricultural advance portfolio through the Financial Inclusion, KCC and all these cases. In fact, in our Bank we have now started a campaign for the KCC for the next two months to gift and also the people will be rewarded if they do excellently well in the KCC which all qualify for the agricultural advance.

Jigar Valia, Analyst

Okay. Okay, fair enough. But, sir, would this also be a reason why you are guiding for the -- a lower NIM because --?

V. A. Joseph, Chief Executive Officer, Managing Director

Of course, of course. We may have to fine-tune our rate of interest in tune with -- to compete with the marketplace in certain pockets. So our management should be armed with sufficient power to have a competitive edge in these places.

Jigar Valia, Analyst

Okay. So these agri, increase in the agri would be a gold-based agri loans?

V. A. Joseph, Chief Executive Officer, Managing Director

It's partly gold based and also partly other mutual crop loans, other term loans for the development of the agricultural land and all these composite farming, rooftop farming is also coming up, animal husbandry is coming up, sericulture and all these things are also taking place. And we are giving emphasis for all these segments.

Jigar Valia, Analyst

Okay. Sir, overall, how much would be the total RIDF call which are outstanding cumulatively that we would have not invested yet? You've given numbers for FY12 and FY11, but maybe something from the earlier years is also that pending that we would be doing. So based on the prior year's allocation, if you can give an estimate as to current year how much would be the number that you would actually be investing?

V. A. Joseph, Chief Executive Officer, Managing Director

You can put a mail, I can reply over the mail.

Jigar Valia, Analyst

Okay. Very well, sir. Thank you so much, sir. Thanks.

Operator

Thank you. Our next question is from the line of Pratish Bamb from Sushil Finance. Please go ahead.

Pratish Bamb, Analyst

Hello. Hello.

V. A. Joseph, Chief Executive Officer, Managing Director

Yes, yes.

Pratish Bamb, Analyst

Yes, sir. Sir, first of all, I wanted the breakup of the yield on investment and yield on funds, sir, I missed that number.

V. A. Joseph, Chief Executive Officer, Managing Director

Yield on fund, it is 10.39.

Pratish Bamb, Analyst

Okay. And yield on investment?

V. A. Joseph, Chief Executive Officer, Managing Director

Yield on investment, 7.21.

Unidentified Speaker

7.21.

Pratish Bamb, Analyst

7.21?

V. A. Joseph, Chief Executive Officer, Managing Director

Yes.

Pratish Bamb, Analyst

And sir, cost of funds will be?

Unidentified Speaker

7.38.

Pratish Bamb, Analyst

Sir, our deposits have been stable, I mean the rate quarter-on-quarter is 8.3%, am I right?

V. A. Joseph, Chief Executive Officer, Managing Director

Yes.

Pratish Bamb, Analyst

Sir, how do you see the panning out in the next couple of quarters? Also on the deposit side of the NRE side, I mean, do we see a reduction coming because some other banks have been reducing a bit of their deposit cost on NRE side, NRE, NRI?

V. A. Joseph, Chief Executive Officer, Managing Director

We do not expect any increase in our deposit on the core side of deposit side. And also NRE also, we don't expect anything. We are in fact, expecting a reduction on these two areas.

Pratish Bamb, Analyst

Reduction. So that will help our --.

V. A. Joseph, Chief Executive Officer, Managing Director

(inaudible) funds have already been closed, and so the quarter-to-quarter also if you have seen the -- there had been a slight reduction from last quarter to this quarter, all those quarters if you look at it.

Pratish Bamb, Analyst

What will be our average deposit rate on the NRE, NRI side, the term deposit?

V. A. Joseph, Chief Executive Officer, Managing Director

The NRE side, it is almost resident rates itself for the -- NRE term deposit.

Pratish Bamb, Analyst

Okay. And sir --

V. A. Joseph, Chief Executive Officer, Managing Director

FCNR we have around 400 crores, and NRE SB roughly 1500 crores.

Pratish Bamb, Analyst

Right sir. Okay. And sir, this retail also includes housing loans, right? I mean, this retail number which we have given out was (inaudible)?

V. A. Joseph, Chief Executive Officer, Managing Director

Yes, definitely, this is mainly individual housing loans and home loans which we have granted across the branches.

Pratish Bamb, Analyst

Okay. And, sir can you give the breakup of fee income? I mean, this -- in presentation, it's not matching with my figures so --.

V. A. Joseph, Chief Executive Officer, Managing Director

The total fee income, total non-interest income is 213 crores for the last nine months.

Pratish Bamb, Analyst

Okay. For the quarter, can I --

V. A. Joseph, Chief Executive Officer, Managing Director

And once if you look at it, it is 67 crores.

Pratish Bamb, Analyst

Sir, the breakup in fee income for ex-treasury and --

V. A. Joseph, Chief Executive Officer, Managing Director

That was the sale of investment. It was from 31 crores for the corresponding period, it has gone up to 43 crores.

Pratish Bamb, Analyst

Okay.

V. A. Joseph, Chief Executive Officer, Managing Director

And we expect it to be even better during the next quarter, this quarter. And commission has gone up from nine crores to -- 24 crores to 30 crores.

Pratish Bamb, Analyst

Sorry sir. I did not get it.

V. A. Joseph, Chief Executive Officer, Managing Director

24 crores to 30 crores.

Pratish Bamb, Analyst

30 crores.

V. A. Joseph, Chief Executive Officer, Managing Director

Yeah. And ATM transactions related card transactions related income 14 crores to 21 crores.

Pratish Bamb, Analyst

Okay. 41 to 21 crores.

V. A. Joseph, Chief Executive Officer, Managing Director

And foreign exchange is also roughly almost, at the moment, almost the same, it has not increased.

Pratish Bamb, Analyst

That is 19 crores, which --

V. A. Joseph, Chief Executive Officer, Managing Director

Yeah, around 19 crores, yeah. And so all other -- then gold has also picked up to roughly -- around 4 crores. And this quarter we expect substantial increase, because we have tied up with Grand Kerala Shopping Festival of Kerala government, where which all the gold for the prices to the extent of roughly 50 to 70 kilos will be bought from our bank by the government.

Pratish Bamb, Analyst

Okay, sir. Thank you sir. Thank you for answering the questions.

Operator

Thank you. Our next question from the line of Mr. Kunal Shah from Edelweiss. Please go ahead. Mr. Shah, please go ahead with your question. The participant is not responding. Our next question from the line of Mr. Pradeep Agarwal from Emkay Global. Please go ahead.

Pradeep Agarwal, Analyst

Sir, just a follow-up question. The account you mentioned on Bharatiya Samudraya is that number included in the recovery number?

V. A. Joseph, Chief Executive Officer, Managing Director

No, see we have amply explained that Bharatiya Samudriya was an NPA account in the system.

Pradeep Agarwal, Analyst

Yeah, that has been upgraded to restructured account.

V. A. Joseph, Chief Executive Officer, Managing Director

It was now upgraded to a standard asset, because at the time when it was referred to CDR, it was having the standard asset quality.

Pradeep Agarwal, Analyst

Yeah, correct. So that upgradation is reflected in this number 76 crore which you have given?

V. A. Joseph, Chief Executive Officer, Managing Director

Right, absolutely right.

Pradeep Agarwal, Analyst

And also, there was 34 related slippage in last quarter, so any update on that, I mean, any recovery?

V. A. Joseph, Chief Executive Officer, Managing Director

Yeah in fact, the cumulative recovery, in fact, we have already presented before you, that overall cumulative recovery was around 74 crores.

Pradeep Agarwal, Analyst

This 74 crores, in which account?

V. A. Joseph, Chief Executive Officer, Managing Director

73.13 crores was the overall recovery during this -- up to --

Pradeep Agarwal, Analyst

No, does this include any recovery on the fraud part, 34 crores of fraud-related slippages happening --

V. A. Joseph, Chief Executive Officer, Managing Director

Yeah definitely, it has.

Pradeep Agarwal, Analyst

So what was the quantum of that?

V. A. Joseph, Chief Executive Officer, Managing Director

Again, it's 32 crores.

Pradeep Agarwal, Analyst

32?

V. A. Joseph, Chief Executive Officer, Managing Director

Yeah.

Pradeep Agarwal, Analyst

So, out of 34, we have recovered 32?

V. A. Joseph, Chief Executive Officer, Managing Director

Yeah.

Pradeep Agarwal, Analyst

Okay, fine.

V. A. Joseph, Chief Executive Officer, Managing Director

No, no, no, no. The quantum of the amount, which is upgraded out of this 73.13 is 38 crores, that was the total outstanding.

Pradeep Agarwal, Analyst

Okay.

V. A. Joseph, Chief Executive Officer, Managing Director

Then, leaving behind that, the pucka recovery is 73.13 minus that 38 crores.

Pradeep Agarwal, Analyst

Okay, okay.

V. A. Joseph, Chief Executive Officer, Managing Director

Got the point?

Pradeep Agarwal, Analyst

Got it, got it. Okay, sir. That's it from my side. Thank you.

Operator

Thank you. Our next question is from the line of Mr. Kunal Shah from Edelweiss. Please go ahead. Mr. Shah, please go ahead with your question.

Unidentified Participant

Yeah, hi. Hello?

Operator

Yes, sir. Please go ahead.

Unidentified Participant

Yeah, this is Nilesh [ph] here. Just wanted to -- sir, just wanted to get a sense on the recoveries that we made during the quarter, the recoveries and upgrades of about 73 odd crores. How much of that would you attribute to have come in from the second quarter slippages, sir?

V. A. Joseph, Chief Executive Officer, Managing Director

You want recovery during the second quarter only?

Unidentified Participant

No, no, no. I mean, I'm saying, which would have slipped in the second quarter and which we would have kind of either upgraded or recovered in the --

V. A. Joseph, Chief Executive Officer, Managing Director

The major worth mentioning account is only Bharatiya Samudriya.

Unidentified Participant

Okay, okay. So that's -- about 38 odd crores has got upgraded, right?

V. A. Joseph, Chief Executive Officer, Managing Director

Yes.

Unidentified Participant

Okay. Sir, and the other question is on the gold loan part. You kind of mentioned it earlier, but just wanted to get a sense, over the last few years, so we were one of the few banks in the old generation private sector banks which are growing our book very strongly. And I believe at that point of time also we would have seen some of the competition coming in from the PSU banks because of the subvention that we were offering. So, what has changed, last two, three quarters we've actually seen moderation in business for us. So I just wanted to kind of get more clarity around that. What has changed in terms of either the segment of customers that we are approaching that has kind of got saturated or what has happened there, sir? Or some other -- we're seeing competition coming --

V. A. Joseph, Chief Executive Officer, Managing Director

See, in fact, in the last three teleconferences also this question was raised. We have a maximum exposure in Kerala and Tamil Nadu.

Unidentified Participant

Okay.

V. A. Joseph, Chief Executive Officer, Managing Director

We have been historically operating in this area and agricultural advances through gold loan route was very well accepted in the market. Now that the government has been insisting about the private sector -- sorry, public sector banks, PSU banks that their agricultural advances should go up to 18% as per the statutory requirement even without -with the subvention which is available why they were not able to. So they all sprang up into action and they have been widely advertising all these in the nook and corner of the state of Kerala and Tamil Nadu.

And so, since this gold loans are mainly for the crop loans with the tenure of which is less than one year, every year it is being repriced and replaced -- repledged. And hence, in the next repledging, when the awareness has been much, much more in the market, these people will be tempted to go to the public sector banks.

Unidentified Participant

Okay. Sir, how much of your portfolio would you attribute, would be more agri led from a consumption perspective, sir?

V. A. Joseph, Chief Executive Officer, Managing Director

Close to 1,000 crores, a little less than 1,000 crores is towards agriculture under the gold loan.

Unidentified Participant

Okay. And what was it earlier, sir, for us maybe -

V. A. Joseph, Chief Executive Officer, Managing Director

Priority, priority sector. A small portion of that is also priority sector.

Unidentified Participant

Okay. No -- sir, say maybe about one and a half, two years back, was that a hike proportion for us?

V. A. Joseph, Chief Executive Officer, Managing Director

We had about 2,500 crores under agricultural gold loan alone.

Unidentified Participant

Okay, okay. So that has come off, right?

V. A. Joseph, Chief Executive Officer, Managing Director

Yeah, that has come off.

Unidentified Participant

But outside of agri, the growth continues or have we seen competition coming in from say the new generation private sector bank or --?

V. A. Joseph, Chief Executive Officer, Managing Director

Absolutely not, because we have been competitive in the other gold loan segments and our gold loan segment has been growing about 600 crores.

Unidentified Participant

Okay, okay. So there is no problem on that front, right?

V. A. Joseph, Chief Executive Officer, Managing Director

No, no problem at all. Only in the agricultural front we have a competition still, that's with reasons.

Unidentified Participant

Okay, okay, fine. Fine, sir. All the best. Thank you.

Operator

Thank you. Our last question is from the line of Sri Karthik from Espirito Santo. Please go ahead.

Sri Karthik Velamakanni, Analyst

My questions have been answered. Thank you.

Operator

Thank you. As we don't have any further questions, I would now like to hand the conference over to Mr. Clyton Fernandes for closing comments.

Clyton Fernandes, Investor Relations

Thank you, Lavina. I would like to thank all the participants who logged in today for this conference call. And I would also like to especially thank Dr. Joseph and his entire management team for being so patient with us and answering all our queries. Thank you very much, sir, and I would like to wish you all the best for your future results.

V. A. Joseph, Chief Executive Officer, Managing Director

Thank you. Thank you very much.

Operator

Thank you. On behalf of AnandRathi Shares and Stock Brokers, that concludes this conference. Thank you for joining us. You may now disconnect your lines. Thank you.