Operator

Ladies and gentlemen, good day and welcome to Federal Bank's FY13 Results Conference Call hosted by EspiritoSanto Securities. As a reminder, for the duration of this conference all participants' lines will be in a listen-only mode. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. Saikiran Pulavarthi of EspiritoSanto. Thank you and over to you, sir.

Saikiran Pulavarthi, Analyst

Hi. Good afternoon, everyone. It gives me immense pleasure to host Federal Bank's full year 2013 financial results call. I welcome Mr. Shyam Srinivasan, MD and CEO of Federal bank; Mr. John, Executive Director of the bank; Mr. Abraham Chacko, Executive Director of the bank, on this call along with other top management. Management will briefly comment on the full-year performance and will be followed by question-and-answer session. Over to you, sir.

Thanks, Sai. Thanks and good afternoon to everybody. The results were published on -- approved and published on Saturday. Many of you may have had a chance to go through it. What we will do, there's myself and the senior team on the call, I'll just did a few minutes update. The numbers are there, so I'll try to explain what is beneath the numbers and importantly what is our important drivers for FY14. And after a brief introduction, we will take all questions from the team that is gathered.

Firstly, yes, the Q4 was challenging particularly because some of the accounts that we were (Technical Difficulty) worried about did turn out that they couldn't meet their payment obligations. So we saw surge in the mid-size corporate credit for almost 200 plus crores. And that had its own consequences on both NPA provisions as also on the income reversals that we had to take. However, we feel that many of our initiatives that we've been working on quite significantly over the last two years are gaining traction. Not all of it is immediately visible and that is an area that we are acutely focused on.

And we believe that the drive (Technical Difficulty) putting in place are set to give us the outcomes that we are looking for (Technical Difficulty). The heart of it was to try and (inaudible) the bank on SME and retail and ensure that the large (Technical Difficulty) is more the kind of credit we want and a better credit rating, and it's the business that we try and get as opposed to the business that comes to us. In many areas, we believed that, that movement has started, particularly the retail and SME have shown significant traction.

Retail grew 25% year-on-year and the last four months which is important for us because that's when we feel some of the credit standards that we put in have helped and the growth in the book in retail in specifics is not -- beyond hold has been encouraging. So we are looking at retail, SME, and when I say retail I also mean the NR component of it is tracking extracting and trading quite well. The mid-corporate stress, we had alerted that we did have a meaningful book of almost 1,000 (Technical Difficulty) beginning of last year that were facing some kind of stress or the other. Much of it we've addressed in FY '13 through either restructuring or recognizing that it is an NPA. The last part of it has been addressed and we believe that from here our outlook on the portfolio is a little more confident and optimistic of being able to address the stress that is associated with the residual accounts that are there on our portfolio. To ensure that FY14 is quite strong because we are taking on some significant growth targets of at least 25% growth in advance at the portfolio level and ensure that the credit deposit growth -- credit deposit ratio is closer to 80%, so it means that we will better utilize both capital and the deposit base that we have gathered.

The structure of the organization with the pending assignments of some of our very senior people has also been to meet the strategy of both leveraging their existing infrastructure, getting value from the new investments made in the last two years and to ensure that our wholly-owned subsidiary doesn't become a mini us but is focused on getting us some incremental value, particularly in the larger tickets. So both within the bank and in the (Technical Difficulty) refocusing of structure and seniors who have been in the bank and a few who have joined us from outside are focusing on delivering these specific objectives of both facilitating growth and quality.

So outlook for the year is a lot more encouraged by our underlying performance in retail, SME and the structural changes that we are making, as also recognizing some of the larger ticket NPAs. We are, like I've pointed out, looking at about 25% growth in credit. Our other income grew 25% this year. It did have one one-off gain with care but we are looking to repeat FY '14 without that benefit of at least 25% growth. And equally, with these two primary drivers and combined by a reduction in cost of deposits, we are

targeting at least 150-basis point growth in ROE.

So in summary, we have come out of a very challenging quarter. We've recognized most of our financial (Technical Difficulty) addressed them in a very organized fashion.

Operator

Excuse me, sir. Sorry to interrupt. Yeah, go ahead.

Operator

Sir, there is some disturbance that is coming in from your line and your voice is breaking up every time.

Shyam Srinivasan, MD and CEO

We can dial out and dial back (Technical Difficulty).

Operator

Sure, you can do that.

Shyam Srinivasan, MD and CEO

No, I thought you would have to do that, no?

Operator

I can disconnect and call you back.

Shyam Srinivasan, MD and CEO

Please do. Please do.

Operator

Participants, we apologize for this inconvenience. We will be connecting the management line again so that you'll be able to hear them clearly. Please stay connected. (Music)

Operator

Participants, thank you for your patience. We have the management line connected. Sir, you may go ahead.

Shyam Srinivasan, MD and CEO

Yeah, thanks. Sai, I don't know where in my call I had stopped, but would you want to prompt me or which part I should continue or take the question and answers.

Saikiran Pulavarthi, Analyst

Sir, you were just mentioning about the outlook for 2014.

Yeah, I'll just summarize with that of and then we will open for question-and-answers. In case anybody missed any of the inputs, we'll be happy to share it again. I closed by saying that, yes, it was a (Technical Difficulty) quarter. We have recognized many of the

accounts that have had challenges. We have addressed them in a fairly disciplined manner. We are a lot more confident of the fundamentals of what we've put in place. We are positioned for, like I've pointed out, at least a 25% growth in FY '14. While that is not the driver (Technical Difficulty) and lastly, we are targeting at least 150-basis point improvement in our ROE.

Couple of years back we'd pointed out that our Vision '15 required us to be delivering closer to the higher schemes, closer to 19, 20% in ROE. For two years, we managed that. FY '13 was not on track. So, we are refocusing to ensure that we get back on that growth path. This period was (Technical Difficulty) believe that many of those initiatives are falling in place. We have -- challenges have not disappeared from the market but we are the orienting ourselves to deliver these objectives.

So with that, let me open it to questions. All of us who are on this -- on the team will be happy to take questions.

Questions And Answers

Operator

Thank you very much, sir. (Operator Instructions) Our first question is from Hardik Doshi of First Voyager. Please go ahead.

Hardik Doshi, Analyst

Yeah. Thanks for taking my question. In the last conference call, you'd mentioned that the accounts under watch in the corporate side, which used to be around 1000 crore at the start of last year, had fallen significantly to about 300 to 400 crores. Now, if I look at your slippages just this quarter on the corporate side, that's 200 crores. You are restructuring another 200 crores. Just adding those two up, that itself is at the high end of the range of under-watch accounts that you're talking about.

Sir, can you just explain what changed -- where there is a lot more accounts that have got added on towards the end. I mean, why was the slippages in restructuring so high on that front, because I believe through the quarter as well there was a reasonable amount of confidence that things would be okay out here?

Shyam Srinivasan, MD and CEO

Hardik, I continuously state the numbers. We've pointed out that at the beginning of last year, like you mentioned, about 1000 crores. NAFED was one account which was not expected to go back. Last time I didn't mention the name of the client and I kept it over saying that let's not discuss the corporate government name, but I thought now that it's in the open I'm mentioning that by name. That was not something that the bank had visualized would go bad despite challenges, because there were promises, there were underlying commitments that it would go through. But having said that, we've recognized that.

A part of the provisioning was additional provisioning for NAFED in Q4 and second was the large corporates or the mid-size corporates. These were about five accounts of 40, 50 crores each, five or six accounts of 40, 50 crores each. And that -- while I said that there is about 200 crores odd that we have to address in the prospective year, but they may not be as alarming as they are -- as the ones that I have gone by. That said, we have to keep a close watch.

Hardik Doshi, Analyst

Okay. So sir, basically you're saying that of the 300 to 400 which you have communicated in the previous quarter's conference call, almost 200 of those have gone.

Shyam Srinivasan, MD and CEO

Yes, yes. A large part of them have been addressed. I just wanted to reiterate. We have not identified nor do we see any new account particularly of the more recent vintages. These are accounts that are stressed, we are addressing them from the pool that we have had. And we think many of them have been sorted out, addressed and there is about 200 crores, 250 crores that we need to sort out but we are betting on the fact that there is a lot of intervention that is happening on them, and we are hoping there are some positive types. But keep that aside, this is the pool that we are addressing very closely.

Hardik Doshi, Analyst

And I mean how confident are you -- that this -- because I mean the economy still remain bad and there is stress still in the mid

corporate, large corporate. I mean, how confident do you -- let's say, one or two quarters go down and this 200 number just kind of keeps on increasing again?

Shyam Srinivasan, MD and CEO

Yeah. A very valid question. I would be lying if I told you that I have a great look into the next 12 months, I don't. I mean, when I say I don't, the bank doesn't, but we certainly are very closely monitoring by vintage, by repayment behavior, by the industry they belong to. Just now we don't have a line of sight that is passing too much stress on the names and we haven't identified hither to, but that's something that we have to watch closely.

I wouldn't misguide by saying that it's all boxed in because anything can change in the next six months.

Hardik Doshi, Analyst

Okay, okay. And these five accounts which you mentioned, somewhere between 40 to 50 crore, any kind of recoveries or upgradation that you're expecting out of them, from any of them which were technical NPAs where you actually got the money later or anything of that sort?

Shyam Srinivasan, MD and CEO

No. There is no account that we've received money later. We are working on a few of them to receive the money, but not as a yet, but all of them carry a security with that.

Hardik Doshi, Analyst

Okay, okay. And this 98 crore of provisioning that we did this quarter, can you give a break up of this, how much was NAFED, how much was Tamil Nadu SEB and how much was the rest?

On second, yes.

P C John, Executive Director

NAFED, this time we increased the provision by 10% which -- that means more than 20 crores of initial provision came to an NAFED.

Hardik Doshi, Analyst

Okay.

Abraham Chacko, Executive Director

And TNEB on account of sacrifice 23 crores was there.

Hardik Doshi, Analyst

Okay. And then the other general loan loss provisioning was?

P C John, Executive Director

56 was the total loan loss provision.

Hardik Doshi, Analyst

Okay. Got it.

P C John, Executive Director

Out of it NAFED took about 20 crores, balance is other state.

Hardik Doshi, Analyst

Okay, okay. And my other question then was our NIM fell off quite, 41 bps quarter-on-quarter. Can you give a break up of how much of this was due to interest accrued reversal that happened. How much of it was because of the base rate cut that we made, some kind of color, and any other major movements? And then, also some guidance on going forward?

Shyam Srinivasan, MD and CEO

Yeah. The NIM differential post largely explained by -- within 6 and 8 basis points because of base rate. The impact of the interest reversal on account of split accounts are about 12 to 13 basis points. This in turn has about 20 basis points. Then the FYTL impact was another 22 crores, that would be about the same 12 basis points. These are the 3 principal drivers. The fourth one is odd but -- and to say it on a large call, but it is true that it was two less days this quarter than

Hardik Doshi, Analyst

Okay. And within -- can you just explain the FYTL impact? I mean why was it higher this time around and also what the sustainable NIMs are going forward?

P C John, Executive Director

Our Outlook on NIMs remains the same as FY '14 -- FY '13. We believe it will be about the 340 for the year, 335 to 340, more like 340 is the target. And the FYTL impact was (inaudible) account was the impact of -- all the restructured accounts and a full year view of all that, the impact was about 22 crores this quarter. We see that being more like 3 to 6 crores in the coming quarter.

Hardik Doshi, Analyst

Okay. Got it. Last question from my front, on the -- while your retail slippages were at a very much an all-time low among the recent quarters, SME you saw an increase of about 119 crores. Can you just give some more details on how the SME book is behaving especially in Kerala and what is its outlook?

Shyam Srinivasan, MD and CEO

SME plus agri is 119 crores. Agri because of some states declaring drought, particularly one of the states where we have a meaningful portfolio, Kerala, and some other states, that saw an increase of almost 22 crores on agri portfolio. Otherwise SME spending, usually in the 70, 72 crores, this quarter is 90, one account of about 22 crores went back, fully secured, so that should come back.

Hardik Doshi, Analyst

Okay. So that is generally holding up?

Shyam Srinivasan, MD and CEO

Yes, SME agri and retail are holding well. Agri specifically had a challenge because of one or two states declaring drought but no material impact yet.

Hardik Doshi, Analyst

Okay. And cost-to-income guidance for next year?

Shyam Srinivasan, MD and CEO

44 -- between 44 an 45.

Hardik Doshi, Analyst Operator

Thank you very much. Our next question is from Anand Vasudevan of Franklin Templeton. Please go ahead.

Anand Vasudevan, Analyst

Hi. Good afternoon.

Shyam Srinivasan, MD and CEO

Good afternoon.

Anand Vasudevan, Analyst

Shyam, in your opening comments you talked about focusing on better efficiencies and some changes in the organizational structure. Can you elaborate on that?

Shyam Srinivasan, MD and CEO

Sure.

Anand Vasudevan, Analyst

And also talk about what you intend to do in the subsidiary? I think you mentioned that you want to do something with the larger ticket business?

Shyam Srinivasan, MD and CEO

Sure. The structure, like I pointed out, some of our very senior people are retiring, so we have rearranged ourselves with some of our existing senior statesmen in bigger roles and we've basically broken the bank into two networks, network one focuses on our home market, Kerala; and network two, focuses on our non-Kerala branch networks. So we have five zones outside Kerala and four zones in Kerala and these are handled by two very senior people exclusively focused as network head and they have specific APIs to deliver value from the network.

And the second part of the structural change is to support the credit monitoring and credit recovery. We have another senior person of the position of CRO only focusing on credit monitoring. And to support them, there is a full-fledged inspection and quality control capabilities that is coming up to ensure that the credit and other operational issues are materially addressed as it is identified.

So these are the three principal -- principal structural changes in FY14 and we've already implemented it. On the subsidiary, we have introduced a very focused senior person who has come in to look at just the reorienting FedFina from being only gold loan to doing things that are more value adds and can identify a few opportunities which are in the area of larger tickets and fee income generating opportunities, but the blueprint is just being drawn up, it's just coming on board as of 8th May. Okay. Thank you.

Operator

Thank you very much. Our next question is from Amit Ganatra of Religare Asset Management. Please go ahead.

Amit Ganatra, Analyst

Yeah. See, my question is on basically the risk-adjusted NIM that you basically highlight in your presentations. Now, if I look at basically last year's presentation, it basically -- there was an increase in risk adjusted NIM from 3.04 to 3.36 that was last year. Now, this year, once again, we are back to 3.05. And in last two years -- so basically the whole target of the new management was to basically focus on risk adjusted NIMs. Now, to some extent, we are where we were two years ago and at the same point of time we have invested in the business.

So our OpEx-to-assets ratio basically has deteriorated in last two years marginally, but, yes, fee income growth has not been all that strong once again in last two years in line with assets growth. So that also a contribution to assets have gone down. So net net core pre-provisioning profit or pre-provisioning profit-to-assets ratio has actually somehow deteriorated in last two years in spite of the focus on asset quality coming right, so that incremental asset quality obviously has been better, so any comments on that?

Shyam Srinivasan, MD and CEO

Sure. All that we've shared over the, all of the quarters ahead, it is unfortunate that we are still sorting out some of the credits of the earlier vintages, so the period in which we are experiencing the credit challenge and the relatively lower margin on the new business are not -- are still in the crossover stage. So that is why you are seeing this challenge of -the ratios don't reflect the underlying initiatives but that's the price we have to pay to go through as we are transitioning into a better model.

We would like to hasten that but these are some things that have to go through, I mean, not that we are not attempting to make that happen faster but it has its own period in which it goes through. It was unfortunately not helped by an environment which turned a little more hostile than expected, and a couple of accounts that were not expected to go back the way it did, it did. But the underlying proposition of quality of new business, we are adamant about it, and I think some of our slides reflect it and we will continue to keep that focus.

Only to give color to this question, many of the new businesses, many of the -- even leading banks have taken on, we have not even touched it, we have said no to that kind of business. So there is some confidence in the way we are doing things. Yes, it is taking a little longer, but we have to go through it.

Amit Ganatra, Analyst

The only two other questions related to this is that, you have guided for 140 to 150 bps improvement in ROE. What is it led by? Is it led by increase in leverage or it's increasing return on assets? And if it is increase in return on assets, from which area will it basically it will come through?

Shyam Srinivasan, MD and CEO

Yeah. I mean, there is three drivers as -- one is the -- we believe the cost of deposits, we will be able to lower between 10 and 15 basis points this year. Two is, we are looking at both provisioning and -- I mean, credit quality improving, therefore lower NPL, lower provision, lower interest reversals on account of these slippages. And three is the growth in the segments that we are choosing, which is retail and SME. And these three combinations should help us -- of course, the fee income growth I already guided would be matching the advance growth of at least 25%, a repeat of FY13 in fee income without the one-off benefit. We believe that these three -- four principal drivers will give us the focus area on getting the ROE up to by about 150 basis points.

Amit Ganatra, Analyst

Just last question is that, in previous presentations you used to basically not talk about the invest -- I mean, the rating moments of your portfolio, have you disclosed that in this presentation?

Shyam Srinivasan, MD and CEO

One second, I will check that. It's not specifically there, but we can put that up because there was another surrogate for that which was the risk adjusted yields, but we'll put that up.

Amit Ganatra, Analyst

Okay. Thank you.

Operator

Thank you. Our next question is from Nilesh Parikh of Edelweiss Securities. Please go ahead.

Nilesh Parikh, Analyst

Yeah. Hi, sir. Good afternoon. Sir, just wanted to check on the advances. You mentioned that the credit growth target is about 25%. So this is a point to point number for next year, right, sir?

Shyam Srinivasan, MD and CEO

We are targeting average growth. And one of that observations many have made and we have taken a principle drivers is that, period end March ends up growing by some bulk advances, this year we lowered from last year's 4,000 to about 1,800 crores. We would like that not to be driver of the growth, we would like a sequential month-on-month growth in advances, which is driven by retail and SME and the mid-sized accounts. That is what we would seek to grow 25% year-on-year.

Nilesh Parikh, Analyst

Okay. Sir. But the build up for this year, means for FY '13, sorry, the corporate book has seen about 16% odd growth on a sequential basis. Now, how does that portfolio can behave? Does it actually run down in the first couple of quarters and then you kind of build on that?

Shyam Srinivasan, MD and CEO Nilesh Parikh, Analyst

Yes, sir. And basically, what is the mix that you're targeting between the three segments, sir?

Shyam Srinivasan, MD and CEO

Yeah. Full-year FY '13, our advances grew by about 6,000 crores; and between retail and SME, they're dominated bulk of the group. If you see the net large corporate growth was about 1,500 crores to 1,600 crores. It was a non-corporate, which is the SME and retail grew much more than the previous year, that momentum is what we seek to continue.

In the second part of the question, it's the large corporate growth in the more recent quarters, we've put in 45 or 49 accounts, new accounts, this year and many have -- some have got disbursal, some will happen in the prospective period or the existing sanctions are there and get disbursed.

The bump up in the last quarter, which has two big accounts, one is the short-term from IOCL, which is disbursed, paid and out of the portfolio. The other is FCI, we do our share of about 700 crores to 800 crores of food products, that continues.

Nilesh Parikh, Analyst

Okay. So the mix for FY14 would be one-third or how would that --?

Shyam Srinivasan, MD and CEO

Because the large corporate portfolio is about 19,000 crores out of our 45,000 crores, that's almost like 40%, the ratio change may not be dramatic, but it will be that SME and retail will be now more or less like 65 and large corporate 35 as opposed to 60, 40.

Nilesh Parikh, Analyst

Okay. Fair enough. Sir, the other thing is on NPLs, now -- have we -- what is the reduction, if you can just give a split in terms of upgrades and recoveries for the quarter specifically and right now, sir?

Shyam Srinivasan, MD and CEO

Sure.

Abraham Chacko, Executive Director

For the quarter the recoveries is 93 crores, upgradation 91 crores and 5 crores write-off -- 177 crores sale to ARCs.

Nilesh Parikh, Analyst

ARCs?

Yes.

Nilesh Parikh, Analyst

How much, sir? 177?

P C John, Executive Director

177.

Nilesh Parikh, Analyst

Okay. And, sir, we've kind of received SRs [ph] against this or --?

P C John, Executive Director

SRs.

Nilesh Parikh, Analyst

Complete SRs, right?

P C John, Executive Director

A small portion is cash -- on cash.

Nilesh Parikh, Analyst

Cash. Okay.

P C John, Executive Director

Between to 5 to 10 -- 5 and 10% cash also.

Nilesh Parikh, Analyst

Okay. And the -- in terms of provisions, just wanted to check, sir, how much provisions we would have kind of reversed on account of this?

P C John, Executive Director

On an average about 80% provision was outstanding on those NPA accounts which were sold to ARCs. Is it fair to assume that on the balance sheet basically our provisioning coverage has come off from Q3 to Q4 and since the accounts

which actually kind of got sold down were carrying a higher provision, so that's led to the lower provisioning coverage?

P C John, Executive Director

That is also one of the contributing factors.

Nilesh Parikh, Analyst

And -- but what is our policy going to be? Because we've always carried about 80%. See, the NAFED is 1, but outside of that what is going to be our strategy to kind of keep our provisioning coverage?

Shyam Srinivasan, MD and CEO

Yeah. Nilesh, we've held our provision usually in the mid to late 70s. We've brought it down to 70, but including written off accounts, it's 80. That said, the following are the three drivers that we've agreed internally and with our Board. That -- one of the reasons the coverage was built is to handle some stress which we've encountered, we've addressed that.

Second is the incremental regulatory requirement of provisioning has come in for restructured assets and -- so those are being substituted, some release has been substituted by higher provisioning on account of restructured provisioning that we carry now or else in the coming quarters we will start building back our PCS.

Nilesh Parikh, Analyst

Okay, okay. Fine sir. Thank you very much.

Shyam Srinivasan, MD and CEO

Thanks.

Operator

Thank you. Our next question is from Vigesh Gandhi of Bank of America. Please go ahead.

Vigesh Gandhi, Analyst

Good afternoon, sir. Just wanted to get some sense of, you did mention five, six accounts of 40, 50 crores on corporate side slippages. Would you be able to give some color in terms of what are the sectors these are largely?

Abraham Chacko, Executive Director

Fortunately there is no one -- I mean, one is in the pharma; one is in solar; one is computer -- two actually are in the computer, sort of hardware and software. The only common factor is they belong to one geography, the south, which is

Vigesh Gandhi, Analyst

You mean one particular state?

Shyam Srinivasan, MD and CEO

Yes, Yes.

Vigesh Gandhi, Analyst

Okay. And just couple of other data points. In terms of NPL movements for the full year, if you can get in terms of additions reductions, upgrade recoveries included?

Abraham Chacko, Executive Director

Sure. Additions 807 crores.

Vigesh Gandhi, Analyst

Sorry, 807?

Abraham Chacko, Executive Director

Seven.

Vigesh Gandhi, Analyst

Okay.

Abraham Chacko, Executive Director

Recoveries 224.

Vigesh Gandhi, Analyst

Okay.

Abraham Chacko, Executive Director

Net reduction 159.

Vigesh Gandhi, Analyst Abraham Chacko, Executive Director

Write-off 11 crores.

Vigesh Gandhi, Analyst

Okay.

P C John, Executive Director

And the ARC sale 159 crores.

Vigesh Gandhi, Analyst

Okay. And sir, just one more other question in terms of data again. Can I have the mix of NPLs between on an outstanding basis for this year -- oh, sorry, the other -- fourth quarter and last quarter -- last year fourth quarter SME retail corporate?

Abraham Chacko, Executive Director

This quarter we can give. The last year, last quarter I can give you separately not --

Vigesh Gandhi, Analyst

Okay, okay. No problem.

P C John, Executive Director

This year the corporate is 660.

Vigesh Gandhi, Analyst

660?

Abraham Chacko, Executive Director

660. Retail 246.

Vigesh Gandhi, Analyst

Okay. SME 503.

Vigesh Gandhi, Analyst

Okay.

P C John, Executive Director

Agri 146.

Vigesh Gandhi, Analyst

Okay. Fine. Great. Thank you, sir.

Operator

Thank you very much. Our next question is from Aadesh Mehta of Ambit Capital. Please go ahead.

Aadesh Mehta, Analyst

Sir, my questions have been answered. Thank you, sir.

Shyam Srinivasan, MD and CEO

Thank you.

Operator

Mr. MV Mahesh [ph], your line has been unmuted. Please go ahead.

Unidentified Participant

In the current quarter there has been a decline in priority sector loans. Hello?

Shyam Srinivasan, MD and CEO

Yeah, yeah. Go ahead, please.

Unidentified Participant

Yeah. In this current quarter there is a decline in priority sector loans, so wanted to understand what's happening on this front? Mahesh the regulatory changes required us to reclassify a fair amount of our past priority sector accounts. Many banks I think had to do that, but we had to do that.

Unidentified Participant

And is -- could you quantify the implications of this, sir? What should be the shortfall for the current year?

Shyam Srinivasan, MD and CEO

Priority sector advances portfolio will be now closer to 31% or 32%, so we just followed, I think, 8%.

Unidentified Participant

Most of it is in the agri side?

Abraham Chacko, Executive Director

Large part is agri.

Unidentified Participant

Any specific reason, where these bulk advances to agri which caused declassified in the current quarter?

Abraham Chacko, Executive Director

Which are the ones that currently classified? Yeah. The sugar exposures which were Kolhapur-based, which we were carrying as agri were to be reclassified. And Kerala State Cooperative has an agri in advance, that had to be classified. Between these two of them there would have been almost 500 crores to 600 crores.

Unidentified Participant

Okay.

P C John, Executive Director

There is no P&L impact, but it has an impact for us to sort out on agri, private sector advances and maybe some requirement for placing in RIDF.

Unidentified Participant

For this financial year?

P C John, Executive Director Unidentified Participant

Okay. On TNEB, I think you had earlier commented that it was restructured and you had taken a hit of about 23 crores?

P C John, Executive Director

Yes. Yes.

Unidentified Participant

The exposure is less than 200 crores?

Abraham Chacko, Executive Director

Restructured? That was 150 crores.

Unidentified Participant

150 crores, is it?

Abraham Chacko, Executive Director

Yes.

Unidentified Participant

The impact comes to about 15% in terms of restructuring of this particular exposure. So just wanted to understand why do we have -- why have we taken such a large impact in this specific exposure?

Abraham Chacko, Executive Director

As per the terms of repayment, terms of restructuring, the sacrifice locked out to this much. But banks, especially the lead bank has already taken up the matter with the Reserve Bank of India for their permission to amortize this cost, but we have taken the entire amount during this quarter. That request is pending with RBI, we are expecting some favorable decision may come.

Unidentified Participant

So there is a possibility of a reversal in subsequent quarters?

Abraham Chacko, Executive Director

Yes Yes

Just one data point, can we have the breakup of NRE deposits?

P C John, Executive Director

Yes. Total NRI deposits comes to 13,156.

Unidentified Participant

Okay. And can we have the break up between NRE and NRO and also within that savings?

P C John, Executive Director

NRE SB. 4.843.

Unidentified Participant

4,843?

P C John, Executive Director

ONR SB, 618.

Unidentified Participant

Okay.

P C John, Executive Director

Then ONR term deposits, 1,491. Including ONR, the total NRI deposits comes to 15,266, if we include ONR also.

Unidentified Participant

Okay. And FCNR?

P C John, Executive Director

FCNR comes to 915.

Unidentified Participant

915? Okay. And one last question, sir, to Mr. Shyam Srinivasan on this. Is there any reason -- is there a possibility that we could kind of slow down on the branch expansion, because we've kind of significantly increased the cost quite sharply in the last two, three years, kind of see some level of improvement in the underlying metrics before we again

Abraham Chacko, Executive Director

Yeah, Mahesh, I think on a couple of occasions I have guided that expansion is calibrated to growth, but the new branches are actually doing quite well and we see them delivering. Almost half of the incremental savings for FY13 came from the new branches. And having said that, in FY13 we grew 153 branches, that previously was 200. In FY14 our target is about 10% increase, which may be about 100 branches and that will be back-ended after we see material progress on what we've launched.

So we see the increase in new branches coming up between October and March and that too based on performance, but the internal measure we have for new branches is quite effective. The reason I pointed that the structural change on networks being tightly managed is to ensure that the existing mature branches are performing even better because there is some level of saturation which we are focusing on in FY14.

Unidentified Participant

Okay. Thanks a lot.

Shyam Srinivasan, MD and CEO

Thanks.

Operator

Thank you very much. Our next question is from Anand Laddha of HDFC Mutual Fund. Please go ahead.

Anand Laddha, Analyst

Sir, all my questions are answered. Just one data point. Sir, what sort of total security asset holding we have. I mean, this is regard to the assets (inaudible).

Abraham Chacko, Executive Director

Total assets outstanding will be about 225 -- around 225 crores.

Anand Laddha, Analyst

Okay. And what could be the RIDF holding.

Abraham Chacko, Executive Director

RIDF holding is 2000 --

Abraham Chacko, Executive Director Abraham Chacko, Executive Director

2,500.

Anand Laddha, Analyst

Okay. That's from my side. Thank you.

Shyam Srinivasan, MD and CEO

Thanks.

Operator

Thank you. Our next question is from Bhavna Sanyal of IIFL. Please go ahead.

Bhavna Sanyal, Analyst

Hi, sir. Most of my questions have been answered. Just a few data points. Sir, what would be the Tier 1 ratio for this quarter?

Abraham Chacko, Executive Director

14.03.

Bhavna Sanyal, Analyst

14.03. And the figure for risk weighted assets?

Abraham Chacko, Executive Director

Right weighted assets -- 14.1 -- sorry, Tier 1 ratio is 14.09, not 03, 14.09.

Bhavna Sanyal, Analyst

Okay.

Abraham Chacko, Executive Director

Risk weighted asset 43,559.

Bhavna Sanyal, Analyst

59. Okay. And, sir, what is the outstanding restructured book as of now?

P C John, Executive Director

1,800 crores. One second, one second. I mean, that's two years. After two years we need not treat it as restructured. On that basis it is almost 2,054 crores, 2,050 roughly.

Bhavna Sanyal, Analyst

2,050 crores?

P C John, Executive Director

Yes, yes, yes. Because more than two years of satisfactory performance need not be treated as restructured.

Bhavna Sanyal, Analyst

Yeah, right. Sequentially it has gone down, right?

P C John, Executive Director

Yes. Yes. Yes.

Bhavna Sanyal, Analyst

Okay. Okay. And sir, I just missed out the figure for NRE deposits, if you could just repeat that for me?

P C John, Executive Director

Total NRI deposits --

Shyam Srinivasan, MD and CEO

And as just the following that we have got a senior person focusing on our Corporate Communications and Investor Relations, he his Anand Chugh, anandchugh@federalbank.co.in; A-N-A-N-D C-H-U-G-H; anandchugh@federalbank.co.in. I'd encourage anybody to reach out him. So this data, specifically he could give.

Bhavna Sanyal, Analyst

Okay. Thanks a lot, sir.

Operator

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

Yeah. Hi. Very good afternoon, sir. Sir, this is in regard to our corporate loan growth that we had. Incrementally, I believe our corporate loan has grown by around 26.4 billion, but our NBFC exposure has increased by around 14 billion, so can you throw some color on that?

Shyam Srinivasan, MD and CEO

Sorry, come again.

Sohail Halai, Analyst

This is in regard to our corporate loan growth. If I see incrementally quarter-on-quarter, our quarter loan book has grown by around 26 billion, whereas our NBFC exposure has increased by around 14 billion, so a large part of the growth has been coming from the exposure to NBFC segment. So can you just give some color of what kind of NBFC is the loans that had been given for?

Shyam Srinivasan, MD and CEO

Yeah. I think the NBFC classification includes three. I don't know it's appropriate for me to share names, but three AAA bank exposures are classified in NBFC.

Sohail Halai, Analyst

Okay.

Shyam Srinivasan, MD and CEO

Those three contribute to almost 1,400 crores.

Sohail Halai, Analyst

Those three contribute to 1,400 crores? That is what the overall exposure that we have in NBFC, right?

Shyam Srinivasan, MD and CEO

No, this is the Q4 growth that we had.

Sohail Halai, Analyst

Okay. Okay. And sir, how much of it would be to gold NBFCs?

Shyam Srinivasan, MD and CEO

Zero

Zero. Okay. And secondly sir, during the quarter, share of high cost deposit are increasing significantly. That I presume that has been because of strong growth in the corporate book, so how much time will this run off?

Shyam Srinivasan, MD and CEO

A junk of it will run off in Q1.

Sohail Halai, Analyst

So basically that's why we're expecting a fall in our cost of deposit in next quarter, is it right?

Shyam Srinivasan, MD and CEO

Yes.

Sohail Halai, Analyst

Okay. Okay. And sir, our employee expenses on a quarter-on-quarter basis, that has declined. So what is the reason for it?

P C John, Executive Director

Quarter-on-quarter there is a slight decline that is because of the higher provisions that made in the earlier quarters.

Sohail Halai, Analyst

Okay.

Shyam Srinivasan, MD and CEO

For some of the incentives their actuarial valuation is checked with that. The provisions made in the first quarter, second quarter, third quarter were slightly higher.

Sohail Halai, Analyst

Okay.

Shyam Srinivasan, MD and CEO

Then we finally worked out, there were some surplus that is the reason why it is slightly lower.

Sohail Halai, Analyst P C John, Executive Director

Discount rate is 8%.

Sohail Halai, Analyst

Discount rate is 8%?

P C John, Executive Director

8.5, sorry.

Abraham Chacko, Executive Director

8.5%.

Sohail Halai, Analyst

Okay, okay. Okay, sir, I have few other data points that I will take it offline.

Abraham Chacko, Executive Director

Thanks.

Sohail Halai, Analyst

Thank you.

Operator

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

Adarsh P, Analyst

My questions have been answered. Thanks.

Shyam Srinivasan, MD and CEO

Thanks.

Operator Shri Shankar, Analyst

Hi. Good afternoon. I have got a couple of questions. The first one, Shyam, if I really look at the performance from, say, first quarter of FY10 was a good -- you're talking about a four-year perspective, our cost to income ratios were somewhere around 36% at that point of time and our GNPA were somewhere around 2.65%. Now, if I look at the last 16 quarters there is an increase in this cost to income ratio. Where do you think this is going to cap it? I heard you mentioned saying that it could be 45% for next year as well. So how are you going to cap it at this level? That is the first question.

The second one is, you also mentioned about a couple of marquee clients coming into the client list, named mainly IOC, FCI etcetera, and how do you make money by doing business with IOC especially when you lend to them where your yields are going to be extremely on the low end, correct me if I'm wrong?

And third one is FCI, I would think that it's a part of the business that is distributed to every bank from their general pool of exposure?

Shyam Srinivasan, MD and CEO

Yeah. Shall we go backwards from the questions?

Shri Shankar, Analyst

Yeah.

Shyam Srinivasan, MD and CEO

FCI, you're right, it is part of the distribution, we get our share in the last quarter. So that's one part of the growth.

IOCL is not certainly something that we can very confidently say we will be able to get other fee income, but it is an opportunistic one, if you have deposits, then there is an opportunity to lend, and we do that. But it is not certainly something that we are confident of breaking in with significant growth opportunities. And that's why, like I pointed out, from last year's 4,000 crores which was back-ended, this year was about 1,800 crores. And as we steady our ship, this will try and reduce that even more sharply.

Your other question was on cost income --.

Shri Shankar, Analyst

Yeah.

Shyam Srinivasan, MD and CEO

The cost income is really the function of, one, of course, expansion; second is significant number of people hiring; and three, is the wage increase that we had to do as part of the wage negotiation and the pension impacts.

Having said that, the cost has not -- is -- I won't say that is not a challenge, it is a challenge, but the driver has been the income growth. As we are re-profiling the portfolio we are unfortunately taking almost every year close to 100 crores of reversal in income because of some accounts that are under stress and going through that period of cleansing.

So as that stabilizes, we see the cost income coming to more of the 42%, 43% which we've guided at the beginning of FY12, we re-corrected it saying that some of the initiatives that we are taking may take longer which is why we give a guidance of 42 to 44, we ended FY13 at about 44.89, we are holding the same for FY14, but by FY15 that should take a better shift, but for now we're guiding

FY14 at about 44 to 45.

Shri Shankar, Analyst

Okay. So if I may be on this topic for a minute, your GNPAs were somewhere around 265 in Q1 of FY10, the same is at 344 today in Q4. But at the same time, when I look at the revision of it, we are going through a negotiation, I think the banks are going through IBA is going through a negotiation but probably that has not even started, so which means that there is a painting [ph] implications of cost we added into the wage bill which is not reflective. So how confident are you when you say this 45%?

Shyam Srinivasan, MD and CEO

Yeah, we've budgeted for the lightly increase starting FY13, in fact part of FY13 and more importantly FY14 and beyond as expected between -- I'm part of the wage negotiation committee for IBA, and that negotiation, like you pointed out, just, has just begun, it may take a year or whatever it takes.

So we believe that there would be anything between 15%, 16% increase that we have to be built in, we're building that into our budget.

Shri Shankar, Analyst

Okay, Okay, that's fine. I've got some couple of housekeeping questions, which I'll take it offline. Thank you.

Shyam Srinivasan, MD and CEO

Welcome.

Operator

Thank you very much. Our next question is from Pradeep Agrawal of Emkay Global. Please go ahead.

Pradeep Agrawal, Analyst

Yeah. Hello, sir. My question pertains to the gold loan portfolio. Firstly, what will be our outstanding gold loan portfolio including agri? And secondly, with respect to decline in gold prices, how do we see the outlook on the same with respect to growth? And secondly, what are the change in LTVs vis-a-vis earlier quarter?

Abraham Chacko, Executive Director

The gold loan portfolio including agri is about 6,300 crores in the bank and 430 crores in our NBFC.

Pradeep Agrawal, Analyst Shyam Srinivasan, MD and CEO

The gold loan portfolio in the bank after the more recent rate fall and today recent rate correction effort is now closer to 73% to 74% is the portfolio LTV after the fall and then the rise.

Pradeep Agrawal, Analyst

Okay.

Shyam Srinivasan, MD and CEO

We are reasonably sanguine that up to another 10% fall we should be able to handle without any stress, if it does thereafter we have to be -- into every -- the intervention has to be more aggressive. For now, we don't see any issues. And the portfolio corrections, the rate is recalibrated daily to the reflective rate of the market and then the LTV is 70% are less on new business at

this prevailing rate. So for new business, there is no issue; for the vintage business that we've booked, the average LTV at the time of booking was 64%, 65%.

Pradeep Agrawal, Analyst

Okay.

Abraham Chacko, Executive Director

And the fall went up to 78% to 79%, which has come -- corrected back to 74%.

Pradeep Agrawal, Analyst

Okay. And also is there any auction during the quarter in gold loan portfolio?

Abraham Chacko, Executive Director

In March, I think, at a bank level we had one auction, which had what kind of a -- 20 items or something, so it's not a significant one

Pradeep Agrawal, Analyst

So it's not a significant number.

Abraham Chacko, Executive Director

In NBFC side, they had an option with very good strike rate.

Pradeep Agrawal, Analyst Abraham Chacko, Executive Director

No, we don't collect at the time of disbursal, it is a bullet payment.

Pradeep Agrawal, Analyst

Okay. It's a bullet payment. We do not consider any -- or cut any interest payment?

P C John, Executive Director

No, we don't. I think some other banks do, we don't as yet.

Pradeep Agrawal, Analyst

Okay. Fine. That's it from my side. Thank you.

P C John, Executive Director

Thanks.

Operator

Thank you. Our next question is from Abhishek Kothari of Violet Arch Securities. Please go ahead.

Abhishek Kothari, Analyst

Sir, what has been the restructuring in the quarter? And could you also give us the number on NPA from restructured book?

P C John, Executive Director

177 crores of restructuring on standard assets.

Abhishek Kothari, Analyst

Okay.

P C John, Executive Director

Another about 43 crores of sub-standard worth NBA accounts were restructured. So total, about 220 odd crores have slipped into NPAs?

P C John, Executive Director

Yes. Yes.

Shyam Srinivasan, MD and CEO

No, no, no, no, he is talking about the restructured.

P C John, Executive Director

Restructured? Restructured in Q4 was 222 crores, out of which 177 is standard.

Abhishek Kothari, Analyst

Okay. And what is the total NPA from restructured book?

P C John, Executive Director

About 60 crores.

Abhishek Kothari, Analyst

In this quarter or cumulative?

P C John, Executive Director

The cumulative book.

Abhishek Kothari, Analyst

How much is the cumulative number?

Abraham Chacko, Executive Director

Cumulative is 600 percentage.

Abhishek Kothari, Analyst

600?

630. This is cumulative life to date out of a portfolio of about 3,000 odd crores of life to date restructuring.

Abhishek Kothari, Analyst

Okay. And sir, can you just give me a retail loan break up for Q4 in terms of education, mortgage, personal, and housing?

Abraham Chacko, Executive Director

Book size?

Abhishek Kothari, Analyst

Yeah. The breakup of only retail portfolio?

Abraham Chacko, Executive Director

Gold loan is 4,263.

Abhishek Kothari, Analyst

Okay.

Abraham Chacko, Executive Director

Housing plus mortgage 6,110.

Abhishek Kothari, Analyst

Okay.

P C John, Executive Director

And all the other products together 3,068.

Abhishek Kothari, Analyst

A break up between that is not possible?

Abraham Chacko, Executive Director

That we can give separately.
Okay. Fine. That's it from my side. Thank you.

Operator

Thank you. Our next question is from Laxmi Ahuja of Marwadi Shares and Finance. Please go ahead.

Laxmi Ahuja, Analyst

Yeah. Hi. Just one question. Of the accounts which would have been upgraded on satisfactory performance of two years, what would be the amount?

P C John, Executive Director

This quarter it was 46 crores, 46 something.

Laxmi Ahuja, Analyst

46 crores?

Abraham Chacko, Executive Director

Yes.

Laxmi Ahuja, Analyst

Okay. Thanks. That was my question.

Operator

Thank you. Our next question is from Prashant Shah of Vantage Securities. Please go ahead.

Prashant Shah, Analyst

Thank you very much. Most of my questions have been answered. I just wanted to know what would be the interest reversal during the quarter?

Abraham Chacko, Executive Director

23 crores.

Prashant Shah, Analyst

23 crores. Okay. And this pertains to the TNEB or both [ph]? FITL impact.

Prashant Shah, Analyst

FITL impact. Okay, fine. Thank you very much, sir.

Shyam Srinivasan, MD and CEO

Thanks.

Operator

Thank you. Our next question is from (inaudible) of ialpha Enterprises. Please go ahead.

Unidentified Participant

Yeah. Thanks for taking my question. Sir, if I look at last two years, corporate advances have not come down, is it SME we are

finding it risky to lend in the current environment and given that retail advances are becoming more and more competitive, is that also a reason why this change in terms of the mix has not happened? That was my first question.

And secondly, if I look at the pre-provisioning operating profit, we've not grown in FY13 and NII has also seen a 1% growth. So when do we see growth coming back in these two areas?

P C John, Executive Director

Yeah. This is quite a sort of detailed question from a point of view of trying to unpeel [ph] the NII. On -- the challenge for us has been on three things. One is the, every time you take the NPA, the NPA there is an interest reversal as also the impact of the restructuring, FITL impact. So that combination has been quite a challenge, combined with the new business coming in the large corporate or even in the SME from better risk quality means pricing is more modest.

So the impact of the incremental asset growth and the margin that you get on that is partly eaten up by the reversals that we are facing for a different vintage, that's what I pointed out earlier, that is the crossover that we are going through combined by the increased operating costs where the pre-provisioning profits have been -- only modest growth, not significant.

Unidentified Participant

Okay.

Shyam Srinivasan, MD and CEO

The second part of your question is when will we see that change. Many of the initiatives we've put in place and we'll see NPAs steadies down as we expect for greater part of FY '14 if materially environment doesn't shift. We think we will be back on growth, which is why we guided for an ROE expansion.

Right. Right. And sir, on your other five states which were the focus is -- have they met our internal targets?

P C John, Executive Director

Yeah. Of the 300 plus branches, 350 branches, I think, 260 have been in these locations.

Unidentified Participant

Right.

P C John, Executive Director

The incremental deposit growth, both domestic and NR deposit, has been very robust in these markets.

Unidentified Participant

Right.

P C John, Executive Director

And they do gold loans and deposit products and retail fee income, all of which are seeing good growth. And therefore, their breakevens are anything between 12 and 18 months at the branch level.

Unidentified Participant

Okay.

Abraham Chacko, Executive Director

That said, our challenge, like I pointed out, is the mature branches lifting up their low cost deposit growth and fee income growth.

Unidentified Participant

Right.

Abraham Chacko, Executive Director

That's why we are refocusing some of our initiatives.

Unidentified Participant

Sure, sir. Thank you. All the best. Thanks.

Operator

Thank you. Our next question is from Nilesh Parikh of Edelweiss Securities. Please go ahead.

Nilesh Parikh, Analyst

Sir, just one follow-up question. Sir, on this FITL, what is the guidance going forward, sir? Is this going to be more recurring and what is the quantum that you've --?

Abraham Chacko, Executive Director

At the point, we are in a relationship, there is no new -- FITL typically is when all these large, either PSU or some of the SEBs, go into restructuring. There is a certain degree of funding you have to do for the interest, that is where the usual culprit is.

Most of them, and I will caveat this by saying the old electricity boards shouldn't come up with some new proposals. That apart, our FITL outlook for the rest of the year is between 3 crores and 6 crores a quarter.

Nilesh Parikh, Analyst

3 crores and 6 crores a quarter?

Abraham Chacko, Executive Director

Yes. But I will caveat that, because we are still working through praying that the other SEBs don't cause -- we don't have any new SEB to restructure, but the ones that are vintage should not come up with something which we are working with.

Nilesh Parikh, Analyst

Okay. And sir, in terms of pipeline for restructuring anything kind of --?

Abraham Chacko, Executive Director

Nothing, at this point in time.

Nilesh Parikh, Analyst

Fine, sir. Thank you very much, sir.

Abraham Chacko, Executive Director Operator

Sure, sir.

Abraham Chacko, Executive Director

Are there any other questions?

Operator

Sir, there are more questions.

Abraham Chacko, Executive Director

Okay. We'll, take two more.

Operator

Sure. Our next question is from Rishendra Goswami of Locus Investments. Please go ahead.

Rishendra Goswami, Analyst

Hi. Just a couple of questions on your NBFC exposure. Could you give a color on where the exposure is? Is it in terms of asset they finance or any kind of -- and also specifically on gold loans, gold loan companies?

Abraham Chacko, Executive Director

Our gold loan exposure on NBFC is now only one company, which is about 200 crores. Outside of that, we have no gold loan exposures.

Rishendra Goswami, Analyst

Okay.

Abraham Chacko, Executive Director

And the overall NBFC exposure is to AAA names for the very high quality good names and that is doing very well.

Rishendra Goswami, Analyst

And this is not a large chunky exposure to particular NBFC, it's spread across five, seven accounts? Actually it's spread across 20 plus accounts.

Rishendra Goswami, Analyst

Oh I see. Got it. Got it. Thanks. And then just a couple more question on your total power exposure about 1,900 crores, how much is SEB put together?

Abraham Chacko, Executive Director

SEB's put together will be about 1,000 crores.

Rishendra Goswami, Analyst

That's the total SEB exposure.

P C John, Executive Director

Yes. Yes.

Rishendra Goswami, Analyst

And of this how much is already restructured?

P C John, Executive Director

Except Kerala everything is restructured.

Rishendra Goswami, Analyst

No, I mean quantum --.

P C John, Executive Director

Kerala and Andra.

P C John, Executive Director

Yeah, Andhra is about 100 crores, Kerala is 500 crores.

Rishendra Goswami, Analyst

So the total restructured out of this 1,000 would be how much? It's about 450 -- 480 plus 150, 630.

P C John, Executive Director

SEB restructuring?

P C John, Executive Director

900.

Abraham Chacko, Executive Director

900 is the SEB restructuring.

Rishendra Goswami, Analyst

900 crore is restructured, 100 is still to be restructured?

P C John, Executive Director

No, no, no. There is no restructuring request either from Andhra or Kerala at this point in time.

Rishendra Goswami, Analyst

Got it. And the rest is the remaining 900 crore?

P C John, Executive Director

The remainder -- there is a small correction it will be 780 crores.

Rishendra Goswami, Analyst

Sorry.

Abraham Chacko, Executive Director

Restructured will be 780 crores, 780.

Rishendra Goswami, Analyst

780. Oh, got it.

This quarter only 150 is there, previous 630, 630 plus 150, 780.

Rishendra Goswami, Analyst

Right. And, okay, fine got it. And out of total power exposure of 1,900; 1,000 crore is towards.

P C John, Executive Director

1,000 something is there, more than 1,000 is there.

Rishendra Goswami, Analyst

Right. 1,000 is towards SEB, so the remaining 900 is towards generating assets or is there some project finance involved there.

P C John, Executive Director

So project finance, most of the project finance, most of them are in the implementation stage.

Rishendra Goswami, Analyst

I see. So the 900 crore is toward project finance.

Abraham Chacko, Executive Director

No. It will be less than 900, the SEB will be slightly higher.

Rishendra Goswami, Analyst

Okay. Got it. And those are still -- those haven't reached the stage of completion yet right?

Abraham Chacko, Executive Director

Not completion.

Rishendra Goswami, Analyst

Right. And is there a large -- is there disbursal still remaining to be given out.

Abraham Chacko, Executive Director

Not large, major part is over, not large. Sorry?

Abraham Chacko, Executive Director

Major part is over, major part of the disbursal is over.

Rishendra Goswami, Analyst

I see, I see. And that's towards mostly private projects or that's other state utilities etcetera.

Shyam Srinivasan, MD and CEO

Mostly private.

Rishendra Goswami, Analyst

Mostly private. Okay. Got it. And just one more information request is towards, what was the total interest reversal for FY13 and the FITL impact?

Operator

Excuse me, Mr. Goswami.

Rishendra Goswami, Analyst

Yeah.

Operator

After this question, may be request you to return to the queue please.

Rishendra Goswami, Analyst

Sure, sure.

Operator

Thank you.

Abraham Chacko, Executive Director

Interest reversal on restructured, this quarter it was 23 crores. Full year, full year.

Rishendra Goswami, Analyst

Abraham Chacko, Executive Director

Full year, it will be 59 crores.

P C John, Executive Director

40 crores.

P C John, Executive Director

Total will be 40 crores.

Rishendra Goswami, Analyst

40 crore for the full year?

P C John, Executive Director

Yes, yes.

Rishendra Goswami, Analyst

Including the FITL, right?

P C John, Executive Director

No. This is FITL alone.

Abraham Chacko, Executive Director

FITL impact. Then the interest reversal on account of NPA would be higher.

Rishendra Goswami, Analyst

How much would that be? That would be another 50 crores almost.

Rishendra Goswami, Analyst

50 crores?

Abraham Chacko, Executive Director

Yeah, because the incremental NPA would have been 400 plus crores. So at roughly 11% even if you take the 50 crores.

Rishendra Goswami, Analyst

Okay. Got it. Thank you. That's all from my side. Thanks.

Operator

Thank you very much. Ladies and gentlemen, due to time constrains, that was our last question. I would now like to hand the floor back to Mr. Saikiran Pulavarthi for closing comments.

Saikiran Pulavarthi, Analyst

Yeah. At this outset, I would like to thank Mr. Shyam Srinivasan and his team for the time to address the questions. And also I would like to thank all the participants for dialing in in the call.

Operator

Thank you very much sir. Ladies and gentlemen on behalf of EspiritoSanto Securities that concludes this conference call. Thank you for joining us and you may now disconnect your lines.