

Indian Bank net profit rises 34% on increased income, higher cash recovery

FE BUREAU

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INDIAN BANK ON Monday reported a 34% jump in its net profit to ₹690 crore for the third quarter, against ₹514 crore in the corresponding quarter of last fiscal, mainly on account of increased income and higher cash recovery. The bank's total income increased 3% to ₹11,482 crore from ₹11,168 crore.

Shanti Lal Jain, MD & CEO, said overall the bank could achieve a satisfactory performance in the third quarter. The asset quality, on a sequential basis, has improved, though it has dropped on a y-o-y basis.

"Gross NPA decreased from 9.56% in September '21 to 9.13% in December '21, that is 43 bps on QoQ basis. Net NPA reduced from 3.26% in September '21 to 2.72% in December '21, that is, 54 bps on QoQ basis. PCR improved from 83.32% in September '21 to 85.49% in December '21," he said. However, on a y-o-y basis, gross NPA went up by 9 bps from 9.04% to 9.13% while net NPA increased by 37 bps

Report card

(₹ cr)	Q3FY21	Q3FY22	% Chg	Q2FY22	% Chg
Total income	11,168	11,482	3 [▲]	11,442	0.34 [▲]
Net interest income	4,314	4,395	2 [▲]	4,084	8 [▲]
Non-interest income	1,143	1,556	36 [▲]	1,966	21 [▼]
Net interest margin (%)	3.13	3.03	10 ^{*▼}	2.89%	14 ^{*▲}
Provisions	2,332	2,598	11.40 [▲]	2,187	18.80 [▲]
Net profit	514	690	34 [▲]	1,089	37 [▼]
Gross NPA (%)	9.04%	9.13%	9 ^{*▲}	9.56%	43 ^{*▼}
Net NPA (%)	2.35%	2.72%	37 ^{*▲}	3.26%	54 ^{*▼}

Source: BSE

*bps

from 2.35% to 3.36%.

Cash recovery was higher at ₹1,096 crore, against ₹744 crore in Dec '20. AUC recovery was higher at ₹278 crore as compared to ₹129 crore. Non-interest income rose by 36%, supported by fee income growth of 11%. Growth in forex income was at 32%, PSLC commission was at 47% and recovery in bad debts was at 111%.

Capital adequacy ratio was at 15.47%, logging an increase by 141 bps y-o-y. CET improved by 103 bps from 10.35% to

11.38%. Tier I improved by 85 bps from 11.18% to 12.03%. Jain said: "we don't have immediate plans to raise any capital immediately as we are adequately capitalised. In future, we may look at raising funds as and when required."

The bank has identified a total of 34 accounts for transferring to National Asset Reconstruction Company amounting to ₹5,400 crore. "As a first phase, we have transferred five accounts amounting to ₹1,300 crore," Jain said.