"Indian Bank
Q2 FY2021 Earnings Conference Call"

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Moderator: Ladies and gentlemen, good day and welcome to The Indian Bank Q2 FY2021 post results conference call hosted by Batlivala & Karani Securities India Private Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded. Participation in this conference call is by invitation only. Indian Bank reserves the right to block access to any person to whom an invitation is not sent. Unauthorized dissemination of the contents or the proceedings of the call is strictly prohibited, and prior explicit permission and written approval of Indian Bank is imperative. Please note that this call is only for investors or analysts, any guests from media are requested to disconnect the call now. I now hand the conference call to Mr. Bhavik Shah from Batlivala and Karani Securities. Thank you, and over to you, Mr. Shah!

Bhavik Shah: Thanks Steven. Good evening everyone and thanks for joining the call. On behalf of Batlivala and Karani Securities, we welcome you all to Indian Bank 2Q FY2021 post results conference call. We have with us today the management of Indian Bank represented by Ms. Padmaja Chunduru - MD & CEO, Mr. M K Bhattacharya - Executive Director, Mr. V.V. Shenoy - Executive Director, Mr. K. Ramachandran and other senior officials. I would now request MD CEO Madam to start the call with her opening remarks on 2Q FY2021 results post which we can start the Q&A session. Over to you Madam!

Padmaja Chunduru: Thank you Bhavik. Good afternoon and welcome to this analyst meet. On behalf of Indian Bank, I wish all of you a very happy Dussehra and festive time ahead. Now the Q2 results of Indian Bank very much in line with the improvements that we have shown in Q1. I think this is a very satisfying quarter for us. All the key parameters have shown significant improvement, both the earnings, the expenses and capital, asset quality you name it and there is an improvement in it.

I think the amalgamation is progressing quite well on expected lines and all the synergies that we had anticipated are coming in. More traction will be seen in the next quarter and going forward definitely with the opening of the lockdown. So even during COVID times, the bank has been very active and as can be seen both from the results as also the time taken to give the results, within three weeks one of the few banks that could make it within three weeks, I think, the operational efficiencies are coming in every which ways.

If you look at the profitability the overall earnings have shown a very good improvement. The net interest income is up by 32% when compared to the amalgamated entity figures aggregated as of September 30, 2020 and the NIM also improved by 39 BPS. NIM is now at 3.06%. The non-interest income has been a big contributor to the overall income and also to the profitability. Part of this has come from the profit on sale of investments, but I think the streams of income for non-interest income has really diversified and we have the fee income, the forex income, the transaction fee, the other PLSC commission and also recovery from bad debts coming in, in a good way.

The focus on interest expenses bringing down the cost of funds, bringing down the cost of deposits is through a steady decrease in the interest rates on both term deposits and SB also in line with the market have helped us really control the expenditures both on the interest front and same control has been exercised over the staff and the overhead expenses.

The cost-to-income ratio is now at almost 48% and this slight uptick compared to 47% last quarter was because of the provisions that we made for the staff expenses which is the wage increase that is expected to come in very soon, 15% increase has been agreed upon by IBA and so we have made full provisions for that during this quarter about 263 Crores has been made together with the pension provisions that we make that has contributed to the increase in the cost to income but even with that compared to the year-on-year last year it has improved by 338 BPS.

The business wise, the total deposits grew by 7% again I am very happy that this increase came from SB and Current Account, 12% on Current Account and 9% on SB. The CASA advantage that we got with the amalgamation of Allahabad Bank is continuing and we are building on it, so the CASA percentage has 41% gives a very good foundation for future improvements.

The RAM book now constitutes a 55% of total advances and agriculture and MSME has registered good growth given the market conditions. Retail has been a bit muted, but I think this will pick up in the coming festive season, the rest of the year.

Corporate looks down, but when we actually had the TLTRO and the LTRO the investments book that we had invested in the corporate bonds and other debt instrument that floods the amount that has been written off, 2800 Crores. Actually if it is taken under advances, corporate can be seen to be about 11.6% growth.

The operating profit increase of 40% is very good figure to have. It is now almost 3000 Crores, the operating profit for this quarter and I think this is very sustainable for the bank. This should be the way and maybe a little more improvement also is possible on future quarters.

On a sequential basis, this has increased by 9%. Net of it, it was a loss last year on the combined entity but this quarter 412 Crores and that too after making all the provisions from staff also some additional provision from standard assets into accounts aggregating almost 200 Crores I think is a very satisfying figure to have as a net profit.

As I have already mentioned the NIM and the net profit, but given the asset quality focus on the bank, even if we ignore the RBI dispensation and actually factoring the notional NPAs that would have happened, I think, we have these figures under control. The arresting slippages has been a big focus area for the bank for a long time and that is now again pan India this is being practiced, so even when this dispensation is lifted I am sure Indian Bank is in a very strong position to take this gains forward and the GNPA ratio which is at 9.89% today and net NPA at 2.96% these were the figures that we were always talking off that it will be below 10% and below 3%.

Even with the lifting of the dispensation, and taking into account whatever watch list accounts or whatever restructured or what is coming in the future next two quarters we are sanguine that from what we see today these figures should remain where they are or even reduce further.

The return on assets and return on equity all have showed very good traction and the other point is about the strength of the balance sheet, the capital. I think we have been continuously focusing on bringing down the risk weight and risk weight assets, the density of these assets and that has played together with the focus on the other parameters that go into it and the capital is now at 13.64 capital adequacy, which is much above 13.45 of last quarter and definitely more than what was on the date of amalgamation.

Given all these positives, I think the Bank is in a very strong position today and with much more synergies coming in with the amalgamation, amalgamation is progressing very much on track. Already in terms of whatever is physically possible within the COVID situation has been done. 76 branches and 25 administrative officers have already been merged and the cost synergies will kick in partly during the Q3 or Q4 with much more next year and all these we are tracking through a synergy tracker. So there is a very focused attention given to this.

More than the rationalisation part, the IT expenses are also being very carefully monitored and lot of sales coming in from there through the AMCs or through the other economies of scale in purchase of hardware or software. We are taking this opportunity to completely reinvent the business model to centralize the processing of loans especially MSME and retail so that the turnaround time is reduced, the efficiencies are brought in, due diligence is improved and in corporate the opening of this large corporate and mid corporate branches across the country making new verticals for these two portfolio as also the focus on the seven branches, I think this will augur well in future. We can already see the improvement in the time that we are taking to turnaround and Indian Bank will emerge as one of the major players in the corporate lending market.

This is also opening up other areas of wallet share and getting the other businesses. Thanks to The RBI's current account circular. I think that is also going in favor or the Bank. We have taken a new initiative both on the digital. There is all in one app in the oasis that has been launched. This is in good traction. Apart from that you are all aware that we have launched the business maintaining program in vernacular language, online program for MSME entrepreneurs. It is like an MBA for the small-scale entrepreneurs. So, that has received a very good appreciation. It was launched by the Union Finance Minister when she visited our office on October 6, 2020.

Very recently we had a tie up with IIT Madras Incubation Cell. The units that are incubated at IIT Madras will be referred by them to us for working capital or term loan requirements and we would be lending based on the due diligence and the advisory received from IIT. I think this is one gap that was there in startup funding, which Indian Bank has taken the initiative to bridge and given the RBI's recent guidelines on saying that up to 50 Crores of startup funding would come under priority sector I think this is a well timed initiative by the banks.

Given all these developments, I think we are quite confident. I think we owe to our team to say that the team effort has really paid off and the amalgamation will happen, the IT integration will happen within this financial year definitely and the synergies will actually help the bank in the years to come, in the next one year definitely and going forward also we see Indian Bank emerging as one of the major and stronger banks in the economy.

Thank you very much.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Rahul Nandwani from Centrum. Please go ahead.

Rahul Nandwani: Congratulations on a good set of numbers. I wanted to ask you one thing, what sort of demand or collection efficiency did we see in September or October 1?

Padmaja Chunduru: If you can go to slide number 30, we have given the graph of the demand collection performance during in all the portfolios through the months, from March to September. As you can see there is an uptick in both August and September in all the portfolios. In the initial months, it was a bit down, but now it is in each of these portfolios, retail it is 95% in September, agriculture 96%, MSME 86%, and corporate 96%. So, this collection is improving, and this gives us a confident that going forward this would help curtail the NPAs.

Rahul Nandwani: In terms of restructuring what number are you looking at as a percentage of overall book?

Padmaja Chunduru: We have our own assessment of the requirement but on corporate I think we were looking at some 4000 Crores or so and a few applications on corporate have come about 6 to 8 but more will come in this current month because the consortium advances and all where other banks are leaders they are probably approaching and the meetings would be held in the coming weeks, but on retail and overall we expect about the 3% to 4% of the book to be restructured, but the traction from retail and MSME is still to be seen. Retail especially is coming in only as a trickle.

Rahul Nandwani: Thank you Madam. In terms of the collections from moratorium books as someone who I would say availed moratorium for the entire six months, so did he pay in September or what sort of percentage of customers did pay in retail, I am asking?

Padmaja Chunduru: Whatever was the demand in September 95% have paid, so what you are talking of that moratorium period even those customers, so the collections have come.

Rahul Nandwani: So that is similar, 95% of the morat books?

Padmaja Chunduru: Because the portfolio of Indian Bank if you see in retail, 65% to 70% is housing loans, and among that another 60% to 70% is salaried employees. So, housing loans and salaried employees is a good combination for the asset quality. That must be the reason why and most of these are in the public sector or in IT companies where the job losses have been limited. So that is the reason probably in some of the public sector banks this retail portfolio will not be under so much demand for restructuring. One of the conditions of restructuring is that they should be COVID impacted. They should have loss of income or loss of jobs during this period. If they have not lost that they would not be eligible.

Moderator: Thank you. The next question is from the line of Arvind S from IDFC Asset Management. Please go ahead.

Arvind S: I just had one question. Post the amalgamation have you adjusted your share premium account with the accumulated P&L losses that are there in the balance sheet or have you applied for that?

Padmaja Chunduru: We have applied for that. So, once we get the RBI approval, we will go ahead and adjust that.

Arvind S: So, the entire amount of P&L loss of around 18000-odd would be adjusted?

Padmaja Chunduru: Adjusted against the share premium.

Arvind S: A question on this is on what does the regulator think on this, is it a one-time only dispensation, is it something they are open to frequently?

Padmaja Chunduru: Which dispensation?

Arvind S: This adjustment of losses against the premium, is RBI to it in your dispensation?

Padmaja Chunduru: We are not aware whether it is one time or something, but I think PNB has already obtained that approval. So, we have also approached. I do not expect any more accumulated losses to go back to RBI to ask for this one time.

Arvind S: Thanks a lot. That is it from my side.

Moderator: Thank you. The next question is from the line of Mahrukh Adajania from Elara Capital. Please go ahead.

Mahrukh Adajania: My first question is on collection efficiencies. What would be the percentage of customers who have not paid a single installment?

Padmaja Chunduru: In retail you are asking?

Mahrukh Adajania: Yes, in retail?

Padmaja Chunduru: A single installment in the last, 20% or so in retail.

Mahrukh Adajania: 20% have not paid the single installment.

Padmaja Chunduru: They have availed moratorium in the last two months.

Mahrukh Adajania: Only this 20% have not paid a single installment?

M K Bhattacharya: If you see, total accounts that would have been done NPA in case this moratorium would not have been extended, in the case of retail book it is only 185 Crores. We will come back with your query.

Padmaja Chunduru: I think it might be 6% to 7% but we will confirm that figure that is for retail.

Mahrukh Adajania: My other question is on corporate based subsidiary when you said that you received six to seven applications for 4000 Crores, so would you give some colour on what kind of corporate, what sector, what is the total debt outstanding of these corporate?

M K Bhattacharya: Mahrukh, total we are expecting to the extent of 4000. Till now we have received seven applications mainly it is from the hotelier sector, hotels and tourism.

Mahrukh Adajania: So currently it is only hotelier and tourism.

M K Bhattacharya: Yes.

Mahrukh Adajania: The ones that you have received you are lead banker, we just started off **(inaudible) 20:57** arrangements because the ICA banks will happen now.

M K Bhattacharya: Yes that is whole banker.

Mahrukh Adajania: These are the sole bankers.

M K Bhattacharya: Yes, the ticket size is around 150 Crores each.

Mahrukh Adajania: 100 Crores to?

M K Bhattacharya: 150 Crores.

Mahrukh Adajania: In terms of the amount of these applications that have already come what would it be?

M K Bhattacharya: Around 800 Crores to 900 Crores, but all these were good hotels, which were paying in time because of this COVID impact six months fully it was closed. I think September we had discussion with them the footfalls are better so hopefully they are telling that by March they should be able to get back to the occupancy unless and until the second lockdown comes, otherwise we are going smoothly now. So, that way we do not have any issue even the second cover is good and even the promoters are good except any further issues in these accounts.

Mahrukh Adajania: Thank you.

Moderator: Thank you. The next question is from the line of Mona Khetan from Dolat Capital. Please go ahead.

Mona Khetan: Good evening. My first question was on the slippages front. If the e-court order was not in play what would have been your reported slippages against the 430 Crores posted right now?

Padmaja Chunduru: For the first half year probably the notional NPAs that we have calculated was 2200 Crores around up to September. That is for both the quarters.

Mona Khetan: On the restructuring front, just to confirm, you mentioned about 4000 Crores of restructuring proposals on the corporate side and of this around 800 Crores, 900 Crores is from the tourism hotel sector. Is that a correct understanding?

Padmaja Chunduru: No. Actually I think there is a slight change. The expectation was that 4000 Crores or so would come for restructuring of which about 800 Crores have come from fixed proposals and incidentally these are more from the hospitality sector, the hotels and other sectors related to hospitality. These are all where we are single or sole lenders, so there was past movement in these and in others we are comfortable. It has gone through the consortium.

Mona Khetan: So far, the proposals stand at around 800 Crores and we expect it could increase to 4000 Crores including the consortium exposures?

Padmaja Chunduru: Exactly yes.

Mona Khetan: If we refer to slide 16 of yours the power sector loans have increased very sharply on a sequential basis. What would be the reason and where are we increasing our exposures within the power segment?

Shenoy V.V: Mainly it is Gencos and transmission companies and almost all state government companies which have been profit, other than that we have got state government guarantee also in one of the cases.

Mona Khetan: If I look at your BB and below book also on slide 19 there has been a sharp rise from 33000 to 43000 this quarter for 3000 Crores this quarter what explains that? Have there been any downgrades?

Padmaja Chunduru: I think it is because of the downgrades in some of the accounts. So we can give you further details after this meeting, but that is the main reason.

Mona Khetan: Some of these have not currently been factored in the slippages?

Padmaja Chunduru: No. These have not slipped as such. These are just the rating is BB, but the record of payment is there.

Mona Khetan: Lastly on the tax front, we again have a tax rate of 42% this quarter. So do we expect it to rationalize to a lower rate closer to 26% going forward?

Shenoy V.V: We have already shifted to 25% tax rate.

Mona Khetan: What explains the higher tax rate for this quarter?

Shenoy V.V: It is depending on the operating profit.

Padmaja Chunduru: Tax rate should be 25%.

Shenoy V.V: Tax rate is 25% on the operating profit. So, we have provided 275.95.

Padmaja Chunduru: The DTA loss has been adjusted and that is why it looks like 40% but actually we have adjusted that, and we have paid on the 25%, we have provided 25%. I think I will ask the CFO to give you the details.

Mona Khetan: Could we expect that going forward the DTA adjustment is done with or could they play out in the future as well?

Arun Kumar Bansal: Another 300 Crores is pending to be adjusted. I think 80 we have already taken care of in the first two quarters, the remaining hopefully within the third, fourth quarter it will be set off.

Mona Khetan: I will come back to the queue for any further questions. Thank you.

Moderator: Thank you. The next question is from the line of Rakesh Kumar from Systematix Shares. Please go ahead.

Rakesh Kumar: Madam, just firstly on the current account deposit guideline which RBI had come out with and what is our approach as a bank for this thing and how we are planning to retain our current deposit composition in the system not current account deposits for the bank, but as a system, how can we protect our market share? That is one point. Second is that how the stake of banks how they are looking at it in general. Second question was what is the net DTA number as on March end, June end and September end? Thanks.

Padmaja Chunduru: First on the current account I think the RBI circular is very clear especially this is about the borrower companies. So wherever we are a lender to a company, and we are the major lender then the escrow account or the collection accounts, the main accounts should be with the lending banks. So that we are strictly implementing especially this comes in favor or public sector banks because most of the big companies have been using the public sector banks for lending and private sector banks or foreign banks for their other requirements, the stickiness is there, because probably those banks were early movers on the technology front, but now almost all public sector banks have good technology in place, even Indian Bank has collection mechanism and the digital interfaces have been developed, so that is one part. I do not see that this is a big issue. The fourth thing was the stickiness of these companies with the other banks. So that we are giving some time and people are moving back or if that bank wants to give 10% of the loan, they are welcome. So this is happening. The banks are looking at getting the main share of the current account. This is for to attract the cash flow, but in terms of Indian Bank I think the current account increase or the main sustenance comes from the government deposits, from the relationships we have across the country, Allahabad Bank was very strong on the CASA front, Indian Bank too had a very respectable CASA of almost 35% in the south, this is quite remarkable. These are more from the current accounts, savings bank portfolio of the banks. So this is continuing and very recently also with the government definitely we have a very good relationship both in Tamil Nadu, in UP, West Bengal, Delhi so very recently the Swanidhi campaign of the government they also tied up with Indian Bank, SIDBI. SIDBI tied up with us to route the digital payments, this is through the Paisa portal that the earlier erstwhile Allahabad Bank had developed. So these are all the similar linkages are there with the Tamil Nadu governments also for routing the DBT. These are all the flows that individually they may be insignificant but as in terms of volumes they adapt to a lot in terms of the flow that happens to the bank accounts. That is what is sustaining us in the CASA. One part is the companies, but the bigger part is the government and the other relationships that we do not see a threat to that as long as we maintain the relationship. We have a dedicated team in Delhi looking at both the relationship and the technology for relationship actually integrating with the government department, helping them, it is almost working like a Fintech. So on the DTA front, I will ask Shenoy to answer.

Shenoy V.V: As far as the DTA is concerned, as of April 1, the figure was 853 Crores and June the set of was around 279 Crores netted out and the balance was 574 Crores. In September we had netted out 306 Crores, balance portion is 16 Crores under DTA. 853 Crores as of April 1, 574 Crores as of June 30, and 268 Crores as of September 30 balance. We have set of 279 Crores in June quarter and 306 Crores in September quarter.

Rakesh Kumar: Madam, just coming back to the first question that current deposits, like in the CCOD account which was already there what market share a bank has in the system, in the funded and non-funded facilities. So our bank I do not know in how many accounts we would have 10% market share or more to retain the CCOD account. So it all about the market share balance that a bank has and then picking and choosing some of the accounts which you would like to do. So, what are the bank preference, which kind of account, like it is just we will try to retain the state government, central government accounts or quasi government accounts or we would also like to retain private corporate accounts for this current account deposits?

Padmaja Chunduru: Yes, as you said the current account is linked to the lending and as you also mentioned the 10% share in the consortium is important to get the current account. So wherever we are the member of the consortium we are ensuring that we take more than 10% and in accounts where we do not have 10% we had a turnover figure, we are working and now with the merger the appetite is there, the exposure feeling is still not hit on many of the large corporate that really are borrowing from the market. So, Indian Bank is one of the banks which has this exposure still available on many of the companies. In the last one year itself, I think we had brought in lot more corporate into the bank's book and this apart from the mid corporate that we already have. In mid corporates we are either the leader or the sole lender and these we have carved out a separate vertical for mid corporates so that that focus comes on these accounts and this across the banks we are focusing on. So, when I said current account it is not just the government, it is all these accounts. If we have to separate the two, I think at least 50% might be coming from the government, 50% or 55% rest might be coming from our own relationships. So, this we will sustain, and we will improve on this component of corporate current account. That will be the flow. So, no corporate will want to keep funds idle. So, we need to have this other relationship with the companies which also we are focusing on.

Rakesh Kumar: Thanks a lot.

Moderator: Thank you. The next question is from the line of Jai Mundhra from B&K Securities. Please go ahead.

Jai Mundhra: Madam, first on this slide number 30 again, the SMA-II number is 2800 Crores. Is this the same which we have said in our BSE release? Is there any overlap in the 2169 Crores which are overdue and where asset classification benefit extended?

Shenoy V.V: That is the part of this 2822 Crores.

Jai Mundhra: So if I was to look at the residual stress, so 2822 already includes 2169?

Shenoy V.V: Yes.

Jai Mundhra: This 2169 Crores is this the same number which otherwise would have slipped, if not for Supreme Court judgement?

Shenoy V.V: Yes.

Jai Mundhra: Now, the second thing is these advances outstanding in this BSE release, the line number one and line number two both are same. So, how do we read this that I thought the first line is SMA0, 1+2 and the second line would be SMA2 now. So, maybe that end SMA1 also, so could these two lines be same or there has to be some SMA0 number also?

Padmaja Chunduru: Which side we are talking of, 30?

Jai Mundhra: No Madam. BSE release. The line number one which is 2169 total advances outstanding in SMA category and the second line where SS classification benefit is extended. So, I thought the line number two would be a subset of line one, because line one was everything SMA0+1+2.

Shenoy V.V: They are only where the accounts would have turned NPA had the benefit not been given. It is the same thing. It is not a change. Whatever the accounts had the benefit not been given by the

Reserve Bank of India would have turned NPA that the same figure is mentioned in both the columns.

Jai Mundhra: Coming back to the collection efficiency, so the numbers are very, very positive numbers that it looks like almost retail, agri, corporate all three of them are 95%, 96% at the same time, if I compare versus March where there was let us say very little impact of COVID, so it looks like it is even better pre-COVID. One thing is to reach pre-COVID level it looks like you are already much above pre-COVID level. Is that the way to read it or there is something else?

Shenoy V.V: As far as the efforts being put by the team as concerned has been continuously falling up, either the recovery department or the monitoring department and the branches to see that wherever the scope for recovery is there, we will recover it. The result of which because of the persuasion and the regular followup we were able to achieve these fiscal targets and contain the slippages. Secondly, as good as this is pre-COVID levels because we feel slowly it is coming on track other than some issue in MSME.

Jai Mundhra: From stress perspective the rest 4% to 5% people which are not paying, should be the outer boundary for stress formation, is that the right understanding?

Shenoy V.V: Yes.

Jai Mundhra: Thank you so much. I will come back in the queue.

Moderator: Thank you. The next question is from the line of M.B. Mahesh from Kotak Securities. Please go ahead.

M.B. Mahesh: I just had two questions; one if you could tell us this quarter the recovery has been reasonably strong at about 800 Crores, one is that. Second is what kind of pipeline do you have in terms of recovery in the corporate book in the second half of this year?

Shenoy V.V: As far as corporate book is concerned, many of the cases have been referred to NCLT and unless and until this is taken care, it becomes difficult, but hopefully by March, it is not by December, by March we expect some recoveries to come in the corporate book. Besides I think some of the corporate where the outstanding is not much, we are also trying for OTA so some amount may come during the December quarter. But overall with the NCLT in one or two cases getting settled by March we expect a good recovery otherwise through SARFAESI only we are planning to go ahead with it.

M.B. Mahesh: Any corporates or any names or any sectors that is driving where you have firm visibility of reduction in the NPA side?

Padmaja Chunduru: What is happening is NPA reduction, NCLT nothing is moving, and we have set 4500 Crores we will recover this year with over 2000 Crores coming in from NCLT. So NCLT assigned the rest of it I think we are on track and this is happening either through soft recovery or through SARFAESI and non-SARFAESI is also working but more also through OTS and others.

Shenoy V.V.: Around less than 1 Crores the recovery to the order of around 930 Crores and the provisionally written of account was 145 Crores need to recover. Those are all NCLT settlement which happened, so which is prior to COVID which the settlement happened and that is around 145 Crores. So that has moved and again now that the agriculture and all that has picked up and the recovery will be better and on track and what Madam was telling about the OTS or through relating it will happen and NCLT hopefully if things happen then I think our target for this quarter is around 1700 Crores and going forward fourth quarter we are expecting around 2700 Crores target, if all are settled through NCLT.

M.B. Mahesh: Madam, just one clarification, you have any broad idea as to how are you likely to close this year in terms of gross and net NPAs or is it too early?

Padmaja Chunduru: We have our own back of the envelope calculations and even taking into account restructuring or what will slip, based on our own assessment which has held us in good stead so far, I think we will stick to the 10% on gross NPA and less than 3% in net NPA. So, that we are confident we will be able to maintain.

M.B. Mahesh: Thanks.

Moderator: Thank you. The next question is a followup from the line of Mona Khetan from Dolat Capital. Please go ahead.

Mona Khetan: Madam, I just have a clarification on the collection efficiency number. So, will this include the demand for this quarter? Would the reported numbers also include any overdues spends for the previous quarter?

Shenoy V.V.: It is including all, including the overdues, including this months' payments all.

Mona Khetan: Thank you. As there are no further questions, I now hand the conference over to Mr. Bhavik Shah from B&K Securities. Over to you Sir!

Bhavik Shah: Madam, I just have one question. Any guidance on revenue profit, is our bond portfolio still a duration bandwidth to have strong target in the second half also?

Shenoy V.V: We do not expect the profit from treasury to the same extent during the first half, but then also it will not be very much less also. So, overall the yield is better now and we are able to and still we have bonds which we are yet to sell it on which we are sitting on a huge amount of profit, but we have been very calibrated and we have done it on state by state basis.

Bhavik Shah: Thank you Sir. On behalf of Batlivala and Karani Securities we thank Indian Bank Management for giving us the opportunity to host the call. Thank you everyone and have a good day.

Padmaja Chunduru: Thank you very much.

Moderator: Thank you. On behalf of Batlivala and Karani Securities that concludes this conference. Thank you for joining us and you may now disconnect your lines.