"IDBI Bank Limited Q1 FY2021 Earnings Conference Call"

July 28, 2020

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Moderator: Ladies and gentlemen, good day and welcome to the IDBI Bank Limited Q1 FY2021 Earnings Conference Call hosted by B&K 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. I now hand the conference over to Mr. Bhavik Shah from B&K Securities India Private Limited. Thank you and over to you Sir!

Bhavik Shah: Thanks operator. Good evening everyone and thanks for joining the call. On behalf of Batliwala and Karani Securities we welcome you all to IDBI Bank Limited Q1 FY2021 post results conference call. We have with us today the management of IDBI Bank Limited represented by Shri. Rakesh Sharma, Managing Director and CEO; Shri. Samuel Joseph Jebaraj, Deputy Managing Director; Shri. Suresh Khatanhar, Deputy Managing Director and Shri. Ajay Sharma, Executive Director & CFO. The bank's detail financials and presentations have already been uploaded on bank's website and I believe most of the audience would have managed to see that. I would now request MD and CEO to start with the call with their opening remarks on Q1 FY2021 results post which we can start with the Q&A session. Over to you Sir.

Rakesh Sharma: Thank you very much. Ladies and gentlemen thank you for joining this IDBI Bank analyst meet. I will just give a brief about the performance and then we can go for question and answer sessions. So the bank has earned a net profit of Rs.144 Crores as against net profit of Rs.135 Crores for the quarter ended March 2020 and previous quarter in June 2019, there was a loss of Rs.3801 Crores and there has been a profit before tax of Rs.438 Crores against PBT of Rs.290 Crores for the quarter ended March and loss of Rs.5381 Crores in June 2019 quarter. The operating profit and NIM have shown continuous and substantial improvement. Operating profit has improved 39% Y-o-Y and NII has improved by 22% Y-o-Y. The net interest margin has also improved from 2.13 as on June 2019 to 2.81 June 2020. In fact we have been showing continuous improvement on NIM on quarter-on-quarter basis.

Now coming to the business part, so business part of course, there has been degrowth in the gross advances, because the bank is under PCA for the last four years, so we have been growing mainly in retail and MSME portfolio, so this retail there has been a Y-o-Y growth of 10%, but only thing is that because of COVID situation if you see last year in June 2019 quarter, we had made disbursement of Rs.3221 Crores and actually in all quarters, our disbursement have been more than Rs.3500 Crores, but in June 2020 due to COVID situation, the disbursement were only Rs.726 Crores, but I feel that going forward when the position stabilizes, we will start looking for some growth in retail advances and MSME advances. As far as MSME advances are concerned, we have been focussing more on these two during this quarter. One is that GECU loans where it is guaranteed by that guaranty corporation where we have in fact around Rs.450 Crores has been disbursed and up to July as per the eligible borrowers 48% sanctions have already been conveyed and similarly we have been focusing more on gold loan portfolio, so gold loan there we have shown good disbursement of almost Rs.600 Crores during the first four months, so this gold loan and this guaranteed advances, these are showing good growth.

As far as the deposits are concerned, the CASA ratio is around 47.55% and there has been some Y-o-Y growth especially in saving bank it has been 12% growth, although current has degrowth, so the RAM portfolio to total corporate that ratio has improved to 57%, it was basically 52% as in June 2019 now it has improved. Coming to the quality of assets, the net NPA has declined from 8.02% as on June 30, 2019 to 3.55% as on June 30, 2020, so there has been quite good improvement in the quality of advances. The net NPA as you will see it is only now Rs.4474 Crores and aging provision is almost evenly distributed over the next four years, so that there will be no excessive burden in any quarter. In fact the accessory coverage over and above the provision will take care of aging provisions and these slippages if you see have been declining. This quarter, the slippage has been Rs.69 Crores and in existing accounts some NPA addition is thereabout Rs.62 Crores, so slippages of course partly I will agree it is partly because almost 57% of our borrowers on an average have availed the moratorium and although this number has been coming down in fact last time when we met in May it was 66%, now on an average for bank as a own it has come down to 57% and today's date if you see the number has come down to 52% because everyday some of the borrowers are opting out. So, the SMA also if you see as on February 29, 2020 that book where we had given the standstill clause, the SMA number was Rs.7620 Crores which has now come down to Rs.1451 Crores and other than those borrowers who had opted in, opt out customers, the SMA figure is Rs.1633 Crores and SMA2 is only Rs.300 Crores, so it is total SMA2 is Rs.530 Crores as on June 30, 2020 which number is quite under control, so that is why although some concerns are being shown that after moratorium what will happen, we are in touch with our borrowers and I can say that out of those borrowers who have availed moratorium in home loan, 90% are with 700 and above CIBIL score, so we do not foresee much higher slippages in those, but still we are keeping a watch over that. I can say that this COVID provision although it was not required by RBI because already we have done 10% provision in March, but still around Rs.189 Crores, we have made additional provision and as of date now we hold around the provision under COVID is Rs.436 Crores, so the provision coverage ratio as you know it is 94.71% which is the highest in the industry. Regards the capital adequacy ratio, the capital adequacy ratio was 13.37% as on June 30, 2020 and CET was 10.59%, although like as per the capital requirement we are well capitalized and if the position is under control like the COVID situation does not deteriorate then within this capital we can achieve growth of 8% to 10%

in advances, although we are not targeting much growth due to COVID situation. We are targeting a growth to 8% to 10% in SRA products home loan and the corporate around 4% to 5% only and MSME and this retail also 4% to 5%, so this overall growth we are not targeting much once the position stabilizes we are going selectively for the industry. So we can say that bank has complied with all the PCA parameters, now the profit also for this Q1 there is a profit, so hopefully we will write to RBI, the so we should be out of PCA, but ultimately depends on the RBI. Overall I think the cost to income ratio and other ratios likely there has been quite improvement, we hope the situation will continue like this. LIC synergies are working out well and we are getting some good business from LIC synergies and this should help us in further improving our income. So way forward of course we are working on some organization transformation also and focusing more on digital business, so that in COVID situation we can make best use at this time. So with that I will stop by presentation here and I request if there are questions and answers are there we can go for it. 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 Nair from SBI Mutual Fund. Please go ahead.

Rahul Nair: I had a query on housing finance business. Would the bank be willing to add this as a sourcing agent for LIC housing finance and stop booking loans in book now?

Rakesh Sharma: As of now we do not have such plans, but yes we have signed an agreement with LIC housing finance whereby they will be working as our corporate DSAs, so wherever like they are not able to finance due to certain reasons, so those business can be diverted to our bank, so presently we have entered into that agreement, but after a year or so we can work out and those possibilities are not rule out, but as of now we do not have such plans.

Rahul Nair: Going forward, is there any chance that the housing finance business might get merged?

Rakesh Sharma: As of now, no decision has been taken so anything decision comes up we will certainly inform you. Presently they have their own business portfolio and our portfolio is 71% of our home loan business is for the salaried class, only 29% is for self and professionals and we do not have much builder financing and all these things, so we are having our own business pattern which is quite good and the NPAs in our home loan portfolio is only 1.13% which is quite good presently we are continuing with that.

Rahul Nair: Okay Sir. Thank you.

Moderator: Thank you. The next question is from the line of Rahul Nandwani from Centrum Broking. Please go ahead.

Rahul Nandwani: If I look at your SMA number from March to June it has come down sharply from 6000 around to 3000, is this largely due to repayments, because the slippages for the quarter are very low?

Rakesh Sharma: Basically we can interpret in two ways. One is of course, around 50% of the book if you see roughly 50%, half of the book is in moratorium, half of the book is outside moratorium, so outside the moratorium is that book is there in that SMA if you see, SMAs in 50% of the book is Rs.1633 Crores which is also quite under control which include SMA0, 1 and 2 and SMA2 if you see, it is only around Rs.311 Crores, so that is under control, because recovery positions have been good, remaining 50% of the book which is under moratorium, if you see that on February 29, 2020, the SMAs were Rs.7620 Crores which has now come down to Rs.1451 Crores because of good recoveries only, of course our target is that by the time the moratorium is over by August 31, 2020, we should be able to bring down to almost nil, so that is the target. So that is why I am saying that recovery as of now are working well, so once the moratorium is over, some uncertainties are likely to be there, but the way we are in contact with our customers I hope the position will be under control.

Rahul Nandwani: One more followup question. Just on the moratorium number, why is it so high for you being a public sector bank, because if I look at the private peers that is somewhere in the range of 10% to 20%?

Rakesh Sharma: One thing I would like to say depends on what method you have adopted. When these RBI had announced this moratorium as on March 27, 2020 so that time initially what we understood that it has to be extended to all so then we had given moratorium and extended it this facility to everybody, but at the same time we have given message to message that if you want these are the implications you will have to pay interest, so if you want you can opt out, certain borrowers have opted out also, but you will agree that some borrowers basically may not exercise the option and all these things since we had gone for opt out formula around 47% have still opted out around 47%, but may be some of the banks who has gone by the other way that okay only who applies they will be given moratorium, so there may be numbers are less, so that I think is the reason, but as far as the moratorium is concerned, I do not think as I said earlier that our advances portfolio that home loan portfolio is quite good. The overall NPA as of now is only 1.13%, so I do not see there will be much downside to this.

Rahul Nandwani: Just from a collection perspective that if 50% of your book is under moratorium going forward as the moratorium ends, do not you think the collection efforts would be very cumbersome?

Rakesh Sharma: In fact our collection method is quite strong that is okay and we are in touch and secondly we have also done deep down study also that analysis with our borrower, some 30% of the borrowers are having account with us only, same bank or current account from where this EMI comes and they are maintaining sufficient balance, but still they have opted, so that is why we do not feel that there will be more casualties in this regard.

Rahul Nandwani: Okay Sir. Thanks.

Moderator: Thank you. The next question is from the line of Bunty Chawla from IDBI Capital. Please go ahead.

Bunty Chawla: Congratulations on a good set of numbers and thank you for giving the opportunity. Just on the same moratorium part there the number has reduced from 66% to 57% as of June, can we say that the numbers which has been reduced, they have paid all the four month EMI or is the June month EMI they have paid and opted out of the moratorium, is it my understanding right Sir?

Company Speaker: If one has opted out of moratorium by formally writing to us, so he has taken out. As far as dues concerned I cannot assure you that he has paid 100%, so if he had not paid 100% he may fall under one of the SMA category, but you can see our SMAs are also not very high, so I cannot give the categorical statement, but I assume if we opting out now definitely he will be paying and then only opting out, he will not try to become a SMA by opting out, so presumption is that but it should be the way you are thinking.

Bunty Chawla: We can say at least June EMI they have paid, because they have opted out of the moratorium…

Company Speaker: June EMI we have paid because then only he will consider whatever why he still has to be tagged as defaulters and to be reported. If he has a moratorium options available, if he is opting out definitely he had the liquidity to pay.

Bunty Chawla: Right, secondly Sir, although we have a good amount of tier-1 ratio at 10.6% no doubt about that, but we had seen in current situation most of the banks are going for the capital rate and as we are having a good amount of CMP above price to book value, so are we thinking on that personal storage the capital?

Rakesh Sharma: Tier-1 of course presently we are not thinking, but tier-2 capital earlier in January 2020 we had raised Rs.745 Crores, so that also any time once we are out of PCA so that will help us in going for lower interest price, so cost will be less, so we are waiting for that and then anytime it is very short process, immediately we can go to the market and raise it so that we will try to it as you are right observed thank you that is our CET1 is quite good and tier-2 we will be in a position to raise and second of course for equity also we have presently

AGM approval for raising equity of Rs.11000 Crores again we have moved resolution to the AGM, so I think within this next month we will also start the process for raising capital.

Bunty Chawla: Lastly on this PCA part, now any indication from RBI we are getting or any expectation we are expecting in next quarter we should be out of the PCA because last two quarters we are able to make the profitability which was the last requirement pending as such?

Rakesh Sharma: As I said our job is to improve the performance and that we have been able to achieve the parameters. Now of course we are in correspondence with RBI various other correspondence also takes place, but ultimately RBI has to decide so it is there propagative so they will decide and then accordingly let us hope for the best.

Bunty Chawla: Lastly on this as you said we has been continuously speaking to our borrowers although moratorium number is huge, any estimate or any expectation you have how much kind of slippages, how much kind of NPA you are expecting as the moratorium ends as on August 30, 2020, any expectation, any guidance or any trend line you are seeing if you can share it will be very helpful? Thank you.

Rakesh Sharma: It will be really very difficult to say the number, but certainly earlier the slippages have been quite high because of the corporate advances, but as far as the retail over there, it was quite very much under control, but still I feel that in any such situation we should be able to restrict our slippages within 2 to 2.5% of the total portfolio so that is our target and effort will be there that we should be able to restrict within 2.5% of the portfolio.

Bunty Chawla: Lastly Sir previous participant has asked that we have agreement with LIC housing finance, so are we saying that corporate book or developer book which we do not have, now LIC will be DSA for us which will be giving us the book …

Rakesh Sharma: It is for home loan only.

Company Speaker: It will be essentially for the MSME and agri loan portfolio also and all other product other than home loan, there will be canvassing for us for which there is an agreement.

Bunty Chawla: Okay, thank you very much Sir.

Moderator: Thank you. The next question is from the line of Prabhat Anantharaman, an Individual Investor. Please go ahead.

P Anantharaman: Thanks for the opportunity Sir. Just followup for this previous question that the analyst has asked. Just a reframe the question, because I had the similar question, what we are hearing is many banks than they are reporting this change in moratorium before, moratorium one to moratorium two, they all have given different comments, some have come out and said that as long as the customer has paid the immediate months dues, he has been shifted out of moratorium and some have been very prudent and saying that only when you pay all their dues from the time moratorium was given we have opted the customer not of the moratorium, so what kind of practice are we following as a bank, if you could just throw some light on that if that is possible?

Company Speaker: Moratorium opt out is dependent on the borrowers liquidity position and whether he is impacted by the COVID impact or not, so all those people you know who feel they have not impacted they are opting out. For example, in our case we had given 100% moratorium, but it has come down to now 51% that itself shows that the engagement with the borrowers is high and all those who feel secured in the environment, they are opting out also. Now another thing which MD Sir mentioned that there are standing instruction customer has, so we could check the balances, 30% of those people who were opted moratorium have funds available, but as a abundant precaution and as a safety measures they would like to retain the liquidity, so that is another reason it is happening, so it is not a call of concern, moratorium has to be seen in the light of whether today you see we have no NPA, but if you see some other banks they have declared very huge slippages, so it is a model which you follow and it has to be seen in conjunction with the SMA, so what IDBI has followed a very strong followup mechanism, we have in fact launched a campaign known as a Bandhan whereby we are contacting all the borrowers one-on-one basis making them understand pros and cons of moratorium, so depending on their ability they are opting out or opting in, opting in has happened. So moreover I must also inform all of you we have taken a proactive measure of setting up a separate collection vertical now, so that going forward proactively will setup, so going forward in case the efforts have to be intensified that will be quite helpful.

P Anantharaman: Is it fair to assume that large part of your customers who opted out of moratorium to between moratorium one and two are people who would have paid a large amount of their overdues and now fairly liquid?

Rakesh Sharma: We said already 30% which are standing instruction my book we could check, but then in other cases also where we have started contacting, the responses are very positive, they are liquid enough, but they want to hold the balances with them because the moratorium facility is available, they would like to avail because nobody is certain about the future, how long it will continue, when it will stop, how it will stop, so people have availed this as an advantage available to them.

P Anantharaman: Fair enough Sir. Thank you, so that brings me to my second question, what kind of growth drivers we are seeing on the NIMs for FY2021-2022?

Rakesh Sharma: Net interest margins basically it will come from interest NIM.

P Anantharaman: I know that I am saying what kind of drivers, are we seeing it more from the retails or are we seeing corporate book expand, so what kind of drivers are we seeing, what kind of business drivers are we seeing in there?

Rakesh Sharma: That is what I wanted to explained to you, so one is that our focus on the CASA book, so reducing that interest expenditure cost, so that you have seen the cost of deposits and cost of funds has come down quite substantially, so that is one, then this of course mainly it will come from presently we are growing in our SRA retail book only and thirdly it will come from it is basically the recoveries which we make and partly it goes towards the interest account, so all these three factors will contribute and I am expecting around more than 2.75, we will be able to maintain it.

PAnantharaman: Last question this is more on the industry side and based on what we are hearing in the media these days, there is a lot of talk going on about the RBI should be acting as a backstop for the government's debt monetization given that we are on track to reach 7% fiscal deficit, this was last done about decade ago where the RBI would buy government debt that the government would use that to provide fiscal stimulus to the economy and last time it was done there was lot of politics involved. As a banker Sir, what would your take be on should the RBI continue providing the government of backstop or do we have enough liquidity in the system for the government to drive recovery?

Company Speaker: Let us see the announcement has started from March 27, 2020 where Reserve Bank of India Governor came and addressed and gave lot of policy measures and since then we have been having unscheduled meeting and then coming up with some kind of rate reduction. We have also seen other policy measures which have come from the government, so if we see the overall scenario whereby the government is quite committed. They have given a big plan for boost in the economy which is also related to not only the induction of the liquidity, but also opening up various sector and also taking up issues related to various reforms, but coming that to the Reserve Bank of India, I think the kind of commitment which Reserve Bank of India has demonstrated that they are on top of it, ample liquidity is available in the market and they have taken all the steps. If we also see what has been written in the financial stability report even though some caution has been shown to the market that there could be issues going forward on the asset quality, but I believe that RBI has been taking all the steps to ensure that government's funding plan is met adequately, because right now also in the system there is enough liquidity to support the government borrowing plan. I would not like to stick my neck out at this stage to suggest that the Reserve Bank of India will be directly buying the government debt, but we will have to see that coming and let us wait for it and then we will come to know what they are thinking.

P Anantharaman: Thank you Sir and best of luck for the future.

Moderator: Thank you. The next question is from the line of Jay Prakash from HSBC. Please go ahead.

Jay Prakash: Thanks for taking my question Sir. Are you seeing MTN bonds getting matured this year in the month of November, any plans these are having refinancing of the same, any plans for the USB insurance or you plan to refinance all over?

Company Speaker: MTN borrowing which is there in November we at this point are not envisaging to go for refinance. We had ample liquidity available and will be using our own liquidity resources to repay that MTN and borrowing, because as you know we continue to be under PCA and we do not have at this point of time room to grow our asset book, but as and when we come out of the PCA and we have our backup plans ready. Once that happens we will evaluate our liquidity position and based on the condition emerging we will take us all on tracing of the further MTN going forward.

Jay Prakash: Thanks for that Sir. I am not sure if I missed it earlier, but on the PCA matrix I see that there is amber colour on the profitability like T3 compared with last two consecutive quarters, so are we still under the PCA framework and are there any implications with reference to this?

Company Speaker: Technically yes as far as profitability criteria is, we are under the T3 criteria because we have been making loss for last four years, but we have seen it in the past that permission has been given once bank has complied with the net NPA capital criteria then if the bank has been profitable for one or two quarters, permission has been given, so we are also sitting for RBI approval for that, but technically yes, one criteria of PCA is still not fulfilled and it will take a long time because it says positive for one full year, it take another three quarters to show that.

Jay Prakash: Thanks a lot Sir.

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

M B Mahesh: Good evening Sir. Just I wanted to check for this financial year, could you give us an update on what kind of recoveries you are expecting and what large ones could be on that? Thanks.

Rakesh Sharma: During this current quarter, the NCLT hearing were not happening now, off late it has started happening, but despite that through our negotiated settlements one time settle and some one case AOD also, we have been able to make total recovery partly it has gone to interest account, partly from TW was 117, so total recovery during the current quarter was Rs.528 Crores, but because our almost 70% cases are NCLT, so all these measures will continue and I expect that minimum Rs.1000 Crores recovery we should be able to make every quarter, so that is my target minimum Rs.1000 Crores every quarter should be the recovery and of course we will also try for AOD certain assets have been identified for sale to ARCs, so if it certifies, so all including more than Rs.1000 Crores every quarter we are expected.

M B Mahesh: This would include everything right, it would include the income which comes into the interest income, the recovery from written off as well as the reduction in net NPAs?

Rakesh Sharma: Minimum Rs.1000 Crores per quarter.

M B Mahesh: Thanks a lot.

Moderator: Thank you. The next question is from the line of Raj Ahuja from Ahuja Advisor. Please go ahead.

Raj Ahuja: Thanks for this opportunity. Sir, my doubt is regarding the various analytics that we are using to understand the movement in the account which are under moratorium, so what kind of movement you are seeing in these accounts, is there any cash movement that is happening inside these accounts and were you able to analyze how I mean why exactly these customers have taken the moratorium if you can split it between if there is a genuine liquidity issue or the customer who are a bit hesitant to pay because given the situation and uncertainty around, were you able to do this kind of analytics to the portfolio which is under moratorium?

Rakesh Sharma: Certainly we have been doing this analysis and first of all we have been saying that we had gone for this opt out formula, we had given this facility to all the borrowers and whosoever wants to opt out will opt out, I will not say that some of the borrowers are perky, I will not say that but yes certain borrowers basically they have not given sent e-mails that they should be opting out, so that is why our number because of this practice which we have followed, it is slightly high as compared to other banks which have gone for the other way round that they have asked the customers that who wants to avail, they should send the letter that is number one. Number two, as I said our 71% of our borrowers, our salaried class and 90% of our borrowers who have opted for moratorium that we have done the analysis, they have the CIBIL score of more than 700, so certainly there are good CIBIL score, so naturally they may not like to spoil their CIBIL score. Third thing like 30% of our borrowers who have opted for moratorium, they are having account with us only and they are having sufficient balance which can be used for repaying these loans, but they have gone for moratorium and we discuss with them they want some additional consult in case of any untoward incident they want to have liquidity with that, so all these reasons give us strong thing to believe that okay, there may be some issues I will not say that all of them after the moratorium is lifted, all of them will pay well in time. There may be some accept here and there, but I do not see much very critical problem there, so we are in touch with the customer that is why I said we would like to restrict the slippage is less than 2% to 2.5%.

Company Speaker: If I can may add since you asked about the cash movements into the account, even after disbursement of Rs.726 Crores in the first quarter, the overall book has depleted that itself shows the cash is coming in, people are paying and money are routed into the accounts.

Raj Ahuja: Just small clarification as you indicated that 30% of our customers who have bank account with us. On the remaining 70% of the customer it could happen that since our moratorium policies are much customer friendly, so it could happen that in case they have another loan with some other peers who are not that friendly with their customers and they are insisting on the customers to pay the loan, so it could also happen that they are paying their loans while have taken the moratorium on our side, so even this is the possibility, where you able to even look at these aspects?

Rakesh Sharma: This data has been mapped with the CIBIL data where we had said if our borrower has availed moratorium from other bank and whether they have current with them and they have avail moratorium, so that kind of abnormality is not there, so this is we have done. As we said we are meeting all customers also and these aspects are properly checked internally.

Raj Ahuja: And just last question on the collection front, the major focus would be on the collection, so just wanted to understand inside the opex, how you would be accounting for the collections going ahead?

Rakesh Sharma: We were mentioning sometime back that we are putting into a dedicated collection vertical headed by an executive director, so the focus will remain it is a proactive measure which we had taken and it will be focused collection vertical so I think that should help us to put in good mechanism of collection as well as recovery and it will be supported with the digital channels also.

Raj Ahuja: That is helpful. Thank you.

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

Jai Mundhra: Sir, if you can tell us some segmental details on moratorium, how much is moratorium in industry, agri, retail services and this moratorium 52%, is it June end or this is somewhere in July?

Company Speaker: We have the segmental allocation also, so on the corporate front I am giving you as a number in terms of value of the loan outstanding about 60% in the corporate segment are under moratorium while in the retail is about 55% as we said, average is about 56%, 57% and as we look some numbers today it comes to 52%, but I would like to mention here corporate even one large account, the number of account if you see for percentage they are lesser, but even one or two large borrowers opting for it, it becomes in terms of value higher, so that is how in the corporate segment overall 60% there in retail about 55%.

Jai Mundhra: And Sir in your assessment which industry are more expected, we may have – by now you would have seen some of the underlying cash flow in these businesses, it is just that they have taken moratorium but the underlying business momentum in those industries are reasonably healthy, so in your assessment broadly let us say apart from travel tourism, restaurant which other industries do you think it is relatively more impacted and which is least impacted that could help Sir apart from this usual like travel tourism, airlines?

Rakesh Sharma: This basically what I will say that as you are rightly said travel tourism aviation that is affected much and fortunately for us we have very small exposure on this industry so that is we are not affected by that. Second, I think which will be affected little bit and who have availed for moratorium is basically those this EPC and all these things, because their work also because of non-availability of labour and all these things so that work is affected construction and EPC, so some of the borrowers of course have exposure and they have availed moratorium then comes this industry as per our discussion with the borrowers the steel and this manufacturing activity where less manpower is required, these are not affected much, so there in fact some of them might have taken availed moratorium also, but still I think they have not affected much so that way and in fact power is there some of them yes, we are having the exposure and some of them have availed moratorium also, but because of this DISCOM loan which the Government of India Rs.90000 Crores they had indicated that DISCOM, this SEBs can take loan so with that we are quite comfortable and they are also saying that since the DISCOM basically the payments are coming from DISCOM to them. If DISCOM have enough liquidity by getting these loans, so they will not be affected, that is why our moratorium as on February 29, 2020 also even this big power projects, they were not even under SMA0 or SMA1, so that way I think different type of industries, different impact is there, but certainly yes to some extent most of the industries are affected. Consumer oriented and all these things may not be affected much, so like this.

Jai Mundhra: Secondly Sir, if you can talk about RBI who permit to one time restructuring, do you envisage any change in the way RBI has done restructuring earlier or do you think this should be some more safeguard or some modification required based on your experience, based on RBI experience or it could be just plain restructuring that we have seen earlier and also if let us say restructuring comes in policy hypothetically do you think you would have enough time to implement that restructuring by the time moratorium ends or that is also a bit of a question mark that even if RBI provides restructuring the implementation may take its own time. Thank you Sir.

Compnay Speaker: I agree with you. Extension of moratorium beyond this August 31, 2020 may not be strictly required, though certain industries are more affected than the others, but this moratorium has been a one time approach where moratorium has been extended to everybody that is why to overcome the initial shock, I think going forward sectors which have been impacted more travel tourism, restaurant and other sectors who business model has been changed for good, for a very long time. I think they need restructuring pattern. What that restructuring the regulator will come up with we are not aware, but indications are industry expectation are, there could be some sector specific restructuring. Now as to the other question what format this restructuring could be I think we have **(inaudible) 48:50** where the sustainable debt, unsustainable debt, how to take the unsustainable debt over a period all the banks hope that all this would be factored into the scheme that RBI will bring into, but there is a lot more maturity today is the banking sector having seen the pricing for past few years that we will be able to do a better restructuring than what happened some 10, 15 years back.

Jai Mundhra: Thank you so much.

Moderator: Thank you. Ladies and gentlemen that was the last question for the day. I would now like to hand the conference over to Mr. Bhavik Shah for closing comments.

Bhavik Shah: On behalf of Batliwala and Karani Securities we thank IDBI Bank Limited management for giving us an opportunity to host the call. Thank you everyone and have a good day. May request MD Sir to kindly give the closing comment. Over to you Sir.

Rakesh Sharma: Thank you all. On behalf of IDBI Bank I thank all the participants who are joining the conference. I understand that there were other engagements also, but still they have been able to make the conference and it has been quite interactive, most of the questions we were able to reply, some other questions which may be data is not available. I will request the analyst that if they need additional information they can contact our CFO and additional information will be given to them, so thank you again and thank you to the coordinator also for joining. Thank you very much.

Moderator: On behalf of B&K Securities India Private Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.