



“Indiabulls Housing Finance  
Q2 FY23 Earnings Conference Call”

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Investec



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**Moderator:** Ladies and Gentlemen, Good day and welcome to the Indiabulls Housing Finance Q2 FY23 Earnings Conference Call. 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 this conference call, please signal an operator by pressing '\*\*' and then '0' on your touchtone phone. Please note that this conference is being recorded.

From the management team we have with us Mr. Gagan Banga; Vice Chairman, MD and CEO, Mr. Ashwini Hooda; Deputy Managing Director, Mr. Sachin Chaudhary; Chief Operating Officer, Mr. Mukesh Garg; Chief Financial Officer, Mr. Ashwin Mallick; Head Treasury, Mr. Ramnath Shenoy; Head, IR and Analytics, Mr. Hemal Zaveri; Head Banking, Mr. Veekesh Gandhi; Head Markets.

I now hand the conference over to Gagan Banga. Thank you and over to you, Sir.

**Gagan Banga:** Thank you. A very good day to all of you and welcome to the quarter two of fiscal '22-'23 earnings call. Before we get into the numbers for the quarters, I will briefly cover the update on macros.

The growth trend in the real estate sector continues to be strong. As per a recent Knight Frank Report, housing sales in top 8 Indian cities recorded a 15% YoY growth in Q3 of CY2022 and a 20% growth compared to the quarterly average sales observed during the pre pandemic times of 2019. Supplies have also picked up growing 18% YoY in Quarter 3 Calendar 22. Units launched have also picked up. The developers have responded well to the upswing in demand levels over the last past year, Launching new projects compatible with the current need of home buyers. Though they continue to wonder where future capital for construction finance sectors is going to come by and that something that I will ponder upon with you during the course of this call.

The commercial real estate market has started showing strong growth momentum after the pandemic with 16.1 million square feet getting transacted during Quarter 3 calendar 22, it represents a 30% year-on-year growth, but we also see the likes of the largest commercial real estate investors in what they call a harvesting mood rather than an investing mood and therefore what one has to think of, is it a opportunity for an organization such as ours or should we continue to use this as an avenue to exit whatever loan investment we had made in the past.

On the retail side, the repo rate hike has resulted in a pass on in terms of the reference rate hikes from us, that has resulted in our books spread expanding from 3.1% at the end of fiscal as of 2.7% a quarter ago. This is transitional, but at the same point in time it indicates our pricing power and the pricing power of NBFC in general to be able to hold on to their spreads.

I will now quickly cover the headline numbers for quarter;

The balance sheet, loan book and AUM has stabilized as I had been promising you for the last three quarters and now I think we formed a base as you may have read from our earnings update, the balance sheet has marginally grown the AUM and loan book has stabilized and I believe in the second half of this year we should be able to record conservatively at 10%, optimistically at 15% AUM growth. Here on we will track AUM growth only. I promised to you two quarters ago that we will stabilize AUM balance sheet and then start growing the AUM which we have achieved and here on the management would like to be track on AUM growth.

The PBT and the profit after tax has been stable for many quarters. So, while there has been serious volatility in our peers in terms of various numbers, I think over the last 6 to 7 quarters we have while maintaining a picture of absolute stability, been able to manage our transformation which is how, our retail disbursements have grown not by a small number, but 9x of what we did in H1 of fiscal last year compared to this year. 9x is not a joke by any standards and we are firmly back as the third largest housing finance company in terms of retail disbursements and that too for the portion that we are disbursing and holding on to our balance sheet at a 3% ROA. So, it is a very profitable business that we are doing.

In order to continue to enhance on this profitable business, there is a significant investment in people, we have added over 1,500 people this year. We have continued to reward our performing employees and I would imagine that starting fiscal 24, we should start seeing efficiency gains and a trajectory which is back to a reducing number as far as our cost-to-income is concerned having made the investments through fiscal 22 and continuing through fiscal 23.

Our gearing, which makes the company a lot more safer from a debt investor perspective is now down to 2.5x and as I have indicated in the past this is about a floor that we would hit. So, we are at our floor balance sheet has stabilized, our AUM has stabilized I believe that our gearing here on will remain in the range of 2.5 to 3 times.

We are very comfortable on capital as 34% of which Tier-1 capital is 28%. ROA at a company level has inched up marginally, but that is more because of the profitable increase in our retail disbursements. So, though it is up all of 10 basis points, the retail disbursements are earnings us as much as 300 basis points of ROA and that is going to continue to add 10 basis points, 15 basis points every quarter to our company wide ROA. Most importantly, our NPAs have been stable and we have been able to manage our NPAs at both in absolute as well as at the percentage level in a very tight range while maintaining a very healthy provision cover which remains at 3% of our loan book and over 2.6 times of our regulatory requirements.

From long term strategy perspective, I think the company has finally achieved a situation which we saw the situation that it had created for itself back in around 10 years ago in 2011, where we had created a serious base of transforming itself from a multiproduct NBFC back in 2008-2009 to a mortgage focused NBFC by 2011-12. The same sort of a base has been created. We have much like in the US where the securitization market is extremely streamlined, it is a more market place approach, there are standardized loan document, there is standardized credit appraisal process, and there is a standardized servicing process. Your company has been able to achieve, that today we have half of the public sector banks in India buying loans from us. One particular public sector bank, a very large one amongst the largest one, we just recently concluded a pilot where the entire buying process of a loan is hands off, neither do we nor do they have any sort of a human intervention it is completely hands off. Our documents are read by their systems and then the loans are purchased and there is a transaction which happens where we receive funds. So, that is the kind of a future which we perceive that we will continue to focus on our distribution invest in people. As I mentioned earlier, we have invested in 1,500 people through the course of the year, we have invested in retention and it is a very profitable business at a 3% ROA. While banks let us do that is because of the positive credit cycle cost that we have. We go out and invest in distribution and place our young boys and girls at various sites, which for various constraints public sector banks cannot and that distribution gets us to this profitable sort of an ROA. Our disbursements under the asset light models in the prime segment have been able to get to and scale up during the first half as high as ₹4,600 crores.

As I had mentioned in the last call our strategy for this fiscal year would continue to be in retention of our employees which was reflected in our employee cost. We have just concluded an annual increment, which has averaged at about 16%. Our ESOPs continue to be extremely lucrative we have reprised some of our ESOPs and made sure that there is a wealth effect coming into our employees. As we work on our retail loans, we are focusing specifically on the affordable segment, we have already created a book of around \$200 million with an average ticket size of Rs. 10 lakh, which is focused on what we call Bharat which is Tier-3 sort of locations and we continue to expand on those locations where we hope to get into a market domination position very soon. As we do that I think the focus of the last four years as we are in ILF&S crisis worked itself out. The company chose to focus on maintaining a fortress balance sheet through the strong pillars of capital adequacy, low gearing, high liquidity and robust provisioning, all of that has played out that has enabled the management to focus on operational priority. The operational priority has remained at unwinding, the wholesale books which is clearly getting tailwinds by the real estate up cycle and enhancing the retail book and especially the retail disbursement cycle. As we sit today we are even unwinding our cost on the wholesale side and focusing on packing up our retail disbursement, be it branches or people and that all should play out to us get into to about \$2 billion of disbursements in fiscal 24.

Now, let us look at our gross NPAs if we look at slide #5 of the earnings update on the asset quality;

As of the end of the September 2022, our gross NPA stood at ₹2,123 crores which in absolute value are flattish for the last four to five quarters, which translates to 2.94% and net NPA stand at 1.70%. Our stage 3 provisions stand at 42% of the stage 3 assets, our total provision stand at 3% of loan book which is as I mentioned earlier 2.7 times of our regulatory requirements.

The retail collection efficiency stands as high as 98.8% for Quarter 2 fiscal 23. Very, very important over the last 7 quarters I had been consistently communicating that we should be able to hold our gross NPA range at between 3% to 3.5% and today at the end of first half of fiscal 23 we stand at 2.94%. For this year I had communicated that we expect our credit cost to be between 100 to 150 basis points, we are trending that and as I had said earlier if after this crisis in the last quarters, if one is to believe me then our credit cost should come down at half of these levels next year onwards.

On the liquidity side, we stand comfortable. More importantly, we continue to adopt a very conservative approach. Most of our stakeholder are aware that when it came to a large rupee redemption of a public issue bond that we had done of about a billion dollar, we created proactively reserve for that. When it came down to paying down mutual funds, we bought back our bonds and now when it comes to ECB lenders, today our board has approved the creation of a term deposit buffer much in line with the dollar bond term deposit buffer that we had created and more importantly then this near term payment which comes due in fiscal 24 even for the convertible bond due for repayment in fiscal 24, 25, we would proactively continue or we will proactively create a term deposit buffer over 4 to 5 quarters for the same. So, this is going to get triggered in the next 7 to 8 days as we negotiate with banks and get the best term deposit rates. We fortunately already got in the same cleared through our domestic banks and we are firmly in place to adopt this as a regular operating practice for our ALM management, for all of our overseas borrowings be it our external commercial borrowings as well as our convertible bond borrowings if they are not to convert that is for time to tell, but at least as management we will assume that they will not convert to debt and we will have to redeem them and we will create deposit buffers for them. External commercial deposit buffers will start getting created over the next 7 to 8 days and at the FCC buffers will follow suit.

Now, moving on to the regulatory side there has been a lot of transformations on the regulation front, your company has been classified as a upper layer NBFC much in line with the large status of NBFC is that it has we are in incubated company and we are in the process of doing the transformation. The good thing is, we did a deep dive into the transformation today in our board meeting and I am happy to report that there is no significant P&L or balance sheet impact item as a result of the transformation to the upper layer, this is the provisioning or any other

requirement of the capital transformation requirement which it has, there will be no P&L or capital charge that you will witness because of our transformation to the upper side NBFC.

As a stakeholder it will be heartening for you that we will be regulated and supervised much like a bank, so we become that much safer. Just as an indication much like banks now we also follow LCRs, which is liquidity coverage ratio and as against a minimum prescribed of 50% LCR we stand at about 200% LCR, so we are operating very conservatively even basis what RBI has prescribed for NBFCs. On the ALM side we continue to remain positive and now with these fixed deposit or term deposit buffers we will be even more conservative.

As we stand today, I believe that we are at a very important transformation point for the company. The company over the course of the last four years has transformed itself from a business model perspective from a company which was looking at continuously growing its balance sheet. So, when we touched a trillion rupees a balance sheet we thought that we should be guiding the market to when we will touch 2 trillion rupees. When we touched 5 times of gearing, we said that we can go as high as 7 times as gearing. The business model has completely transformed through this transformation process we had to face macro and micro headwinds. The macro headwinds in terms of a full regulatory overall as well as a risk of as far as our industry is concerned. On the micro front because you were trying to do things very differently, there were all kind of muck which was thrown on us. The good news is that the company has been able to fairly seamlessly migrate from a near 7x gearing to a 2.5x gearing. Over the course of the last 7 odd quarters, it has been able to stabilize across all operating parameters.

We had said that we will continue to degrow our balance sheet for sometimes and very boldly we did degrow that. A lot of our stakeholders thought that it was about access to debt markets. We said this is just the more conservative and long-term more stable way of growing the business and at some point in time we will stabilize over the last three quarters we had stabilized. We also indicated that the business for NBFC especially NBFCs which lent to sectors where the borrowing is long, is not about keeping assets on balance sheet it is about originating assets and becoming a lean and mean origination machine. I think we have managed that fairly successfully and compared to our peers who are holding assets from their balance sheet, we are actually for the capital that we put on our balance sheet earning 2x of the return on asset. In absolute value terms it will take us another 12 months to 18 months to grow this in absolute profitability, but from a ROA perspective it is already very healthy at 3% for incremental disbursements, which has started now tickling in terms of book ROA as well and there has been a 10 basis point increase that 10 basis points will continue to increase at a steady base over the next few quarters and should settle at about 200 to 250 basis points of ROA which would mean that the company would settle in at around 14% to 15% ROE by middle of fiscal 24 or so. So, that is the goal that we have been trending towards.

We do not want to be a company or a management team which is known to shock or surprise. We would like to state things upfront. We said upfront that we would like to de-grow, we de-grow. Sometimes in life to transform you have to dig deep, we dug deep. I think at a stage where we can stabilize and that is the act that we have been following and we have stabilized and from here on we will see not a 9x type of a disbursal growth that you have seen in the last one year, but at least a 2x type of a disbursal growth for the next two years, year-on-year which should get us to a level where we are disbursing like \$300 million, \$350 million of absolute retail granular loans a month and that is a very unique franchise that you are adding something like 20,000 customers a month and these are very prime mortgage customers which stay with you and have a life cycle of 7 years to 8 years where you can sell multiple products on pure capital allocated basis you make 3% and then if you add other sources of income you make 3% plus ROA from these borrowers and these are prime borrowers. So, that is the business model that we will follow.

We will continue to unwind our wholesale boo, the real estate business is doing extremely well in terms of the wider industry and that is benefitting us because the projects that we have mortgaged are selling and selling very well. So, on the NBFC balance sheet we will continue to unwind. As a result, we also would tweak the team and focus more on growing the retail team and for cost rationalization we will see how we have to best utilize our wholesale team. Our AIF platform is also growing slowly it is already at about ₹3,500 crores and it should get to about ₹5,000 crores by the end of this fiscal that is the other area of focus. So, from next year onwards the AIF platform should start contributing to our profitability and that is the key matrix that I would like to keep for fiscal 24.

For fiscal 23, I would just request all of you to measure our success on growing our AUM by 10% and managing to maintain our delinquencies, our stage 2 etc. Incidentally, our stage 2 is down almost 30% since the start of the year and almost 50% from the end of fiscal 21. So, we are trending extremely well basis the real estate cycle and I assume that this is the numbers that come in front of me we should be down in another 30% by the end of this fiscal year. So, all in all the business is in a very stable position and several of our stakeholders have continued to support us. We bought down our leverage given exit to several of our other stakeholders.

We have covered our ECB lenders by creating this term deposit, we are committing to cover our FCCBs lenders by following suit on the term deposits. This is the best foot forward that the management can put forth and I would like to end my comments with a request of your continuing support. You open the questions now and thank you.

**Moderator:**

Thank you very much sir. Ladies and gentlemen we will now begin the question-and-answer session. The first question is from the line of Abhiram Iyer from Deutsche Bank. Please go ahead.

**Abhiram Iyer:** Given the importance of AUM, could you please let us know what the number is at the end of the September quarter that is question one and question two is could you also elaborate a bit more on the higher provisioning cost that have been taken in this quarter as well?

**Gagan Banga:** So, when we have high PPOP we will continue to take high provisioning and we make sure that we continue to be better placed than having a volatile picture. Unfortunately, I am not in Bombay I am travelling so I do not have the specific number, but my IR team can give you the specific number in terms of provisioning. As far as AUM is concerned, we are pretty much flattish to where we were last quarter this is despite ₹2,000 odd crore gross inflow from our wholesale book and then we would have disbursed ₹600-700 crores on the wholesale book to get project completed. I would like to draw your attention to some of our key projects in the city of Mumbai, 25-South, which is one of our large exposures, which is opposite the famous temple in the Prabhadevi area that has achieved occupancy certificate. In the race course area another large exposure, what is the tallest building in India which is called Minerva that has applied for occupancy certificate it has achieved all the preliminary certifications required for that and I would imagine that by November the occupancy certificate would come in. All of our NCR exposures are seeing extremely robust growth, a few of our stressed loans in the Southern part of India as well as the Northern part of India because of steep appreciation in land prices are today actually seeing bids at 120 cents to a dollar where we would have imagined this is the provisions that we had created that we will actually recover 80 to 90 cents to a dollar so that is a pretty good situation to be in. So, all in all the AUM on the wholesale side will have a little bit of a pressure at a rate where we will receive ₹2,000 odd crore a quarter back, but our retail disbursements are growing rapidly and I imagine that we should be doing about ₹4,000 odd crores of retail disbursements plus around ₹700-800 crores of wholesale disbursement so all in all AUM as I said should be growing at about 10% as we speak quarter-on-quarter it is flattish.

**Moderator:** Thank you. Our next question is from the line of Raunak Mantri, Individual Investor. Please go ahead.

**Raunak Mantri:** Sir, last quarter you had written off ₹500 crore against a general reserve, so is it good to assume that this year also you will not be giving any dividend to your shareholders?

**Gagan Banga:** It will be very sad if you do not give dividend because we gave dividend all of our listed history since 2005, we listed in September 2004 and from March 2005 onwards aside of last year we have given dividend. So, there is no reason why we should not be giving dividend as we speak back of envelope, I think we are technically enabled at least as at the end of half year to give dividend that said I do not want to be that management which gives a commitment and does not live up to it. So, it shall be my endeavor to propose to the board to give dividend, but we will see we have a tricky second half with the geopolitical situation being where it is wherein with inflation being where it is with interest rate being where they are, it has been a very hectic



credit growth in the first half, now deposit rates are increasing so we could even have a very rapid increase in input cost. So, given all of that I will not make a firm commitment. The firm commitment that I will make today is that the retail AUM will grow, retail disbursements will grow. As far as dividend is concerned, it is clearly the management intention much like you we are all shareholders, so we would love to get some dividend from the company, but the more important thing for the company is to be financial strong and regulatory compliant. Within the compliance perspective as we speak, we should be able to give we will take this decision or rather the board would take this decision towards the end of the year. It shall be my personal endeavor to make sure that shareholder get dividend this year.

**Moderator:** Thank you. Our next question is from the line of Craig Elliot from NWI Management. Please go ahead.

**Craig Elliot:** I think importantly the base that you have set for growth is one for very high-quality growth, with the new business model, so my question is that what do you think and when will it take the general equities market participants those we do not know as well as we do, we would really appreciate what they are missing about how great this business is?

**Gagan Banga:** Craig, like you rightly said NWI is one of our most incredible investors which held faith in the management despite all that odds so firstly thanks to you and the rest of the investment team at NWI for continuing to support us. I believe now that with three quarters, four quarters of stability around AUM, balance sheet etc. now that the process of degrowth has kind of stalled. Over the next quarter or so the process of growth would take place and would accelerate and as that happens with the limited experience and knowledge of the capital markets that I have and my interaction with investors, I believe that should be 50% of so to say the problem getting unraveled for equity investors. The balance 50% is around governance perception, which is a topic which is uncomfortable, it is basically the elephant in the room and it should be addressed squarely.

The fact of the matter is that the company suffered a hell of a lot for folks who were trying to short the company and trying to take advantage because we were vulnerable, because we were widely held. We will come through that and we will come through that with fire and we have just in India had this festival of Diwali, where we celebrate Lord Ram returns and when I was celebrating Diwali I was thinking that this is almost like the Diwali for Indiabulls. So, we have returned and we have returned with glory we were put through a test through fire and come through that the courts have up held us, the various regulators have up held us and as we speak today we are perhaps one of the strongest board in the country amongst financial institutional. I just come through a board meeting with lasted three hours to just discuss regular quarterly results. The audit committee last year for two and half hours, we have a regulatory measures over sight committee which convened on Saturday and lasted for three hours. So, before we

come in front of you with the numbers that we come in front of you there has been 8 and half hour discussion at the board level, that is with people who are deputy governors and bank MDs and supreme court judges and audit partners and what have you. So, with this kind of governance and with the kind of come through that we have seen and with growth returning I see no reason why in a quarter or two we would not start trading at par and then perhaps beyond our book value. I needed to give a growth indication to our stakeholders. I think today I am firmly in a position to give that growth indication and there is no reason why book value and past book value should not get achieved over the next two to three quarters. With that said the management team is not taking any pressure and we are being abundantly honest about this, about the market cap etc. we are going about our job, we want to be focusing on investing enough capital in technology in being the best in class as far as technology is concerned so that by fiscal 25, that start reflecting in our cost-to-income. We continue to invest in our people so that through fiscal 25-26 we have single digit attrition numbers on our employees and if all of this interests the stock market it is very good for us if it does not as a management team we will still be very happy creating a massive retail franchise which is creating half a million customers or so on an annualized basis and these are the most finest customers that you can get in India. So, that is the way that we are approaching this whole issue. I am quite sure with my experience that there is no reason why the capital markets would not value us appropriately.

**Moderator:** Thank you. Our next question is from the line of Kayur Asher from PNB Metlife. Please go ahead.

**Kayur Asher:** So, sir if you could kindly share data on the developer loan book so you mentioned about the decline trends that we are seeing, so if you could mention what is the outstanding book as of September 22 and what is the guidance as to where would we look to see this book by the end of FY23?

**Gagan Banga:** The book is flattish to last quarter, I believe the AUM would be in the handle of ₹70,000 odd crores as was the numbers last quarter and as far as balance sheet we have reported that to have also stabilized and for the guidance we have formally guided if you go through the earning update the first page itself says that we look to grow our AUM by 10% odd in the second half of this year and that is the AUM growth number. Here on we will talk only AUM growth and I am quite sure that we will grow 10% here on.

**Kayur Asher:** My question was definitely regarding the developer loan book, so what is our guidance for that and what is the current side of the developer?

**Gagan Banga:** That will degrow by about 20% in the second half of this year.

- Kayur Asher:** Any absolute number that you would like to quote here?
- Gagan Banga:** De-grow by about ₹2,000 odd crores.
- Moderator:** Thank you. We will take one more question from the line of Chandra Shekar Individual Investor. Please go ahead.
- Chandra Shekar:** I just would like to ask on the last commitment of Mr. Sameer Gehlot took the exit, so is that exit approved by all the authorities and then the updates on the PIL in Delhi High Court and then the ED cases in Supreme Court as well as NCLT cases I can see lot of NCLT cases pending in NCLT and your earlier commitments of NSE Prime, AIF Partners, name change, offering the board seats to PE investors and all this. So, one concern actually not disclosing all this to the exchanges and we being retail investors, finding very hard time because we are very long time investors and then our capital eroded after almost half of it actually, so could you please kindly help on this I would really appreciate?
- Gagan Banga:** I am sorry that you are capital eroded and it is beyond my control in terms of how capital markets move, but I would kind of disagree as to that we are not reporting anything to the stock exchanges, whatever we communicate with you either you or we put it in writing in our earning update is all uploaded on our website and on our stock exchange disclosure section, everything is up there and we are not tried to do anything which is off the record on such a formal sort of platform.
- Mr. Gehlot stake sale happened to the world's largest financial institutions. His stake fell down to 9.5%. We have formally approached the various relevant authorizes as well as stakeholders for his de-promotorization. I would say 80% to 90% of the stakeholders have approved the balance 10% to 20% should approve, fingers crossed through the course of the next 30 days, as they approve, the de-promoterization would happen and once that happens then we will logically move away from the Indiabulls brand and rebrand ourselves it has to be a step-by-step thing. The Indiabulls brand has a large brand recall and it will be a massive investment in rebranding ourselves, but before that we have to take a step by step logical path to it and we are on that path. The most important step is that was in the context of India where de-promoterisation is a rare sort of thing. We must salute the founder to say that the institution is more important than him and for him to have taken this initiative. So, I believe that he will continue to make sure that the organization and the institution over the weeks and months to come becomes more and more independent. He is anyway not on the board; the board is completely independent of him and the board is led by Mr. Mundra for the last two years or so. So, it is well on course.

As far as the PIL is concerned to the best of my understanding for one reason or the other and the legal luminaries are better place to elaborate on this, but despite our best efforts to get that PIL listed it does not get listed if it does not get listed how do we get it dismissed? The prayers of the folks who came on the PIL when the find it against us was that someone should look into our books and they prayed someone should look into our books and what happened was that everyone looked into our books and then everyone looked into our books and filed affidavit saying that their books seems okay and there is nothing out of the ordinary in their books, they never came back. So, after this what else can management do, I do not know.

As far as the ED matter is concerned we have already filed with the stock exchanges that first the honorable Bombay High Court quashed the underlying predicated offence as they call in the ED terminology and then the honorable Delhi High Court quashed the ED proceedings itself. So, as we speak there are no proceedings against the company, both the division benches have noted that there has been a great abuse of law against the company which has resulted in all stakeholders getting harmed. Your capital has halved, my blood pressure has increased. So, both of us are sufferers, but today I am quite sure that the management team will focus on execution and recoup your capital and slowly my blood pressure will also get okay. So, we are as far as that proceeding is concerned also on a strong wicket all in all I think we are in a pretty good place where we are today, we have to focus on our execution, we have to focus on building our retail disbursement franchise, we have to transform our wholesale business from the NBFC balance sheet to the platform for that we have to right size the organization, move people, do all of that which is hard core execution. Fortunately, we finally have the management bandwidth to focus on execution versus focusing on fighting these very motivated battles. So, having done that there is no reason why we will not be able to excel on execution and create value for all of you. So, that is where I would like to end this call unless I have not answered someone's question which was already asked. If there are any further questions, please feel free to email them to us and we shall certainly reply and we shall connect sometime in towards end of Jan, early Feb with our Quarter 3 earnings, which I hope will be as stable as the first half earnings. Thank you so much and look forward to speaking with you in the New Year. Good bye.

**Moderator:**

Thank you very much Sir. Ladies and gentlemen with that we concludes this conference call. Thank you for joining and you may now disconnect your lines.