PTC India Financials Services Limited
Q4 FY2018 Earning Conference Call
May 15, 2018

Moderator: Ladies and gentlemen, good day and welcome to the PTC India Financial Services Limited Q4 FY18 Earnings Conference Call. As a remainder, all participants' 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 '*' then '0' on your touchtone phone. I now hand the conference over to Dr. Ashok Haldia – MD and CEO. Thank you and over to you sir.

Dr. Ashok Haldia: Good afternoon, ladies and gentlemen. We are after the declaration of the results for the Q4 and for the financial year 2017-2018 the results are before you and followed by the press release. The results has come out and as they appear to be as per the statements posted on the SEBI website and what has been sort to be explain through the press release seeing the lot of explaining and therefore we thought that we should have a conference call while we intend to plan a regular post results meet during the course of this of this week or maybe in the beginning of the next week. The results as are before you and as we have been explaining in the past that our balance sheet has a two distinct phases. One phase is comprising of the thermal and some hydro assets with which we started the PFS and we started financing those assets and the second phase is that when we stopped any further financing to the thermal and the solar assets and we have been financing into the renewable and other infrastructure space. Having said that these two assets have been have their implications on the financial results that we have declared. Firstly, and that is the current part of the business and which is I would say the continuing part of the business as well is the renewable and other infrastructure. If we look at that balance sheet and that part of our performance it has been a growth oriented in terms of our loan book which has increased by more than 20% and also the loan book has gone up to about 13,000 crore and after adding to the non-fund based disbursement which are likely to be disbursed in this quarter or the coming quarter that would be something around 14, 500 crores. On the whole this has been consistent with our CAGR growth of between 25% to 30% in the last few years. In terms of the diversifications this year we have been able to make some significant movement in terms of the financial that we have done for the road projects and all those road projects has been into the HAM or the annuity based. We have not taken any risk in terms of the toll-based project. This year we have been as have been telling you after every quarter we have been more prudent I will not say conservative but more prudent in terms of our lending policy. We have mainly lent to our existing borrowers with whom we have established and proven track record. We have added only 5 to 6 new borrowers during the course of the year and there are either the multinationals or they are the market groups in

India. As we have seen on the last year that there has not been much movement or significant movement in terms of the deeds and consequently the projects which were slated for the wind and the solar and also for the road projects which were bid. This year there is a significant movement in terms of the solar bids as well as the wins for the wind power project and that is going to considerably leads to our portfolio as well. So first thing I was trying to tell was that as far as our portfolio of the renewable is concerned that is on growth. Renewable in other infrastructure is based on growth and we expect that during the current year and considering the comparative horizon for the development or the financing of these projects is concerned that should grow even at a much greater phase then what it has been in the year 17-18. The second thing about the overall scenario and how it impacts the PFS is that there has been consolidation in the industry the smaller players are making the way for larger players and then there are new players entering into particularly those promoted by the MNCs and also the large promoter groups in the country.

Now we have seen in the recent times the demand from these organizations for the structure product for the corporate or the balance sheet funding or the corporate loan funding just to reach the gap in the timing and the quantum of the availability of the funds to their requirements maybe for the merger or acquisition, maybe for setting up of the new projects in India and the timing gap between the mobilization of resources outside India and channelizing them as a capital for the projects in India. So we have seen in the recent times the increasing demand for this kinds of products and as you all know we were first in the country to take up those innovative products but we were also very conservative, we became very conservative last year and before last year been taking up funding to these innovative products because we thought this sector scenario and some of the companies that we encounter with what bending to overly leverage and in that scenario we thought financing on the balance sheet through the corporate who would have been far more riskier and therefore we were very cautious in our approach and this year we see that and we are already seeing the increasing request before the balance sheet funding at the holdco level and we are seeing with the large consolidation taking place and the multinational putting money into that their balance sheet is also getting balanced to that extend. The third scenario at the macro level and that is going to impact our functioning in the coming years is also the stress asset resolution framework in the country and how that is moving we have seen how that has moved for the project in the steel sector but for the power sector projects there are still lot of challenges, lot of these intervals and lot of issues I addressing those resolutions, but one thing with the change in the sector perception particularly because of the increase in the demand may be some increase in the TLF and also because some of the banker and the financial institution individually and collectively are thinking innovative ways together with the government of India for parking these stress assets and in the whole and as all of us would believe that in a year or two the sector scenario would improve and these assets would be able to realize that better their economic value and then what they would be otherwise if they are forced to sold through the NCLT mechanics and we all seen how the valuation has increased for the steel sector project.

What we have seen in the context of PFS and also the power sector project that there has been increase in the number of days for the projects which are in distress and that we have sort interest from the new investors and secondly the valuation though even not to our satisfactory level, but compare to last 6 months or before that valuation has improved and thirdly there has been increase a good response as later on my colleague Dr. Pawan would explain to you there has been an increase response and a better response for ARCs for our distressed assets. So two things one in terms of the growth of the balance sheet I have explain the horizon and I explain how that is going to add to the growth momentum for the PFS and secondly the challenges on the horizon of stress assets, the developments taking place and there are some positive integration and how those positive integrations would affect for example last time I told that by the end of Q4 or Q1 of the next year that is the current year we would be able to resolve three to four of the distress assets. Mr. Pawan Singh would later on explain you we have almost reached to that stage maybe we had taken significant steps before 31st March, but then those assets those actions culminated into or going to culminate into finality into the current quarter so that would get reflected and those will be out of our NPA only for the Q1. So this way there would be a positive and significant impact on the level of NPS. There has been increase in the NPA level and for the reason that we were following and as we explained an outside SDR route for couple of our hydro assets for which there was investor interest and because of our initiatives as a PFS so those who are at consortium lending but our initiatives as a PFS we were able to identify some investors and we have making headway towards that, but it when came the RBI the new regulatory regime and because of that this have been treated as NPA and we would now seek resolutions of these assets through the NCLT. The third asset the hydro where we have made some balance sheet funding a small amount of balance sheet funding on the way of to the term loan financial closure for the term loan, we have enough of the collaterals with us and there has always been very good interest shown by the ARC for that asset and we hope that we will be able to reach to some finality for that assets. There were couple of assets which were existing into our portfolio for which we have taken some initiatives and would culminate into a finality as later on Dr. Pawan would explain. On the balance sheet front though it appears to be a dismal picture in terms of Q4 for the first time we are having the loss and also because of that for the year as a whole we have a meager amount of profit, but if we go into detail analysis of our balance sheet and we bisect into two parts first in terms of the growth and also the current business profile we will see that our interest income our spread and our margin are stable and we did try to make a comparison internally with some of our peers and we find that both on the front of yield, on the front of cost of borrowing and consequently in regard to the spread and margins we are better than the our peer, but admittedly there has been pressure on the yields and the spread and as I have explained the reason for the same because we conservatively and consciously decided two things that we would be extremely watchful for the balance sheet funding and which resulted into no funding in the last financial year and the secondly we confined ourselves to the lending to our existing borrower who were having an excellent track record for us even with this profile we were able to achieve growth more than 20% so our performance needs to be seen from that prospective and thirdly if we delineate the impact of the stress assets on the balance sheet for the analysis purposes I agree the balance sheet is a balance sheet and you know the what the figures indicate these are the figures which in totality matters, but in terms of analysis and only for bisecting purposes our net interest income is around 31% of our total revenue so it indicates towards the ability of us to absorb our expenditures and also the provisions if that we have made and secondly the profit before tax and the depreciation which in a conventional sense one might constitute to be an EBITDA though not in the context of manufacturing others company is of the order of 467 crores for the current financial year and that appears to be a very handsome or healthy percentage to our net interest income and net interest income which we see almost stagnant at the level of the last year is also this to be seen that the reversal of the interest income that has taken place during the current year so that reversal not only impacted the interest income but also the bottom line.

So the underlying idea of this analysis and presenting this analysis before you is to show that our balance sheet continues to be forward looking the growth momentum remains and is likely to remain further. The last thing that I would say is that portfolio performance in terms of renewable we hardly had any stress in the renewable and the two of the assets that we had on our balance sheet the last time that we had shared with you was the 4 megawatt or 3 megawatt wind project in somewhere in Tamil Naidu and also about a wind project in Maharashtra we have some payments from the DISCOM was the issues. Now both these fronts we have started receiving the payments and they should be out of NPA maybe in the coming quarter, but in spite of that we have received a very good interest for both the projects from the investors to take them over. So as far as renewable is concern, wind and solar there is hardly any stress I mean I would say with these two accounts explained to you there is no absolutely no stress and these projects are running well we have seen their performance there has been no delinquency and the recovery track record of these about 50 projects which are up and running on operation for quite some time with the DISCOMS and consequently their payment track record to the PFS has not been a matter of any challenge to us and these projects have been implemented in time and wherever a couple of projects where we had a problem in terms of the security creation or otherwise we were able to successfully get those account settle and made the promoters to prepay those loan account in terms of the quality in terms of the security. We believe we have very well fortified our renewable portfolio both in terms of the situation in terms of known and unknown fear that all of us carry in regard to the future of renewable projects or some future contingency or risk and all that some of us see for the future. So with that I would request Mr. Pawan Singh to take you through the results I would only say that as we promised you on the number occasion in the past we have been dealing with the NPAs we have been able to contain them and as we move forward we should be able to resolve them and we should be able to make our balance sheet clear of them. Thank you.

Dr. Pawan Singh: Good afternoon to everyone. I will take you through the highlights of financial results and also tell as to the impact which has come through some expenditure which we have incurred which is of one-time nature or exceptional nature that also I will explain and also Dr. Haldia has given new analysis of the business for future maybe some figures there also I would like to provide. So if you look our results then the profits for the quarter 4 instead of profit we have made a loss of 148 against the profit of 172 crores in the same quarter last year. Profit after tax for the quarter is 124 crores against profit of 109 crore which you have made last year, but if we take out the exceptional items and the provisions which we have made and the profit for the current year would stand at 135 crore that is profit before tax and adjusted profit after tax would stand at 87 crore and the year level the profit before tax stands at 104 crore against 528 which also 528 also included 142 crore because of the sale of equity. Profit after tax for the year stands at 24.7 crores against 345 crore that we mentioned that this also includes 142 crore through sale of equity. Now at the annualized level adjusted profit before tax that is adjustment for the sale of equity and the provisions which we have made. Adjusted profit before tax stands at 534 crore against 498 crore last year and adjusted profit after tax stands at 348 crores against 319 crore. Yield for the year stands at 10.29 and there is a small correction in the yield and that is probably because of the interest reversal which we had on account of our restructured assets and some of the assets falling into NPA assets.

If we look at the adjusted yields it would be 11.03. Cost of funds have come down from 8.79 to 8.18 this is a substantial reduction and today our cost of funds match almost equivalent borrowing by AAA public sector companies. Our loan sanctioned for the year stands at 8250 crores and the loan dispersed stands at 5103 crores against 4179 last year. So capital adequacy stands at healthy margin of 21.9% and gross NPA is 6.54 for the quarter and also for the year and net NPA stands at 416%. Spreads stands at 2.21 for the quarter and 2.85 for the year. As far the growth of business is concerned we hope to we have a pipeline of disbursement as on date pending disbursement is about 5500 crores with quite heavy certainty that this will be achieved and there are new opportunities which have been cleared by our internal credit committee which is about 500 crore and proposed and the pipeline is about another 2700 crore and if we take the ICICI cleared proposal which is over and above which I mentioned 500 crore was annuity project and if I take the total figure it comes to 2870 crores. So roughly 5570. So roughly Rs. 5,570 crores new opportunities are on the anvil are already with us.

As far as the provisioning is concerned, we have been this time fairly we have been very prudent as MD pointed out in making provisions and we have tried to make as many provisions not only which was required from the regulatory or statutory angle. But we have also done whatever provisioning which was prudent, and we considered appropriate.

So I will now request if any questions are there then we will go through that.

Moderator: Thank you very much. We will now begin the Question-and-Answer Session. The first question is from the line of Rajesh**,** an Individual Investor. Please go ahead.

Rajesh: You have in your speech mentioned that we are at par with other borrowers in terms of many financial parameters. So are you comparing PFS with PFC or REC this is the first question? And the second question is when we are not able to get money from the existing borrowers, what is the guarantee that we will get money from the road projects. We were experts in power projects, but we were not able to get money, right now we are not experts in road projects. So how confident or what are the indications that we will get money backed from the road project because as I see the share price has gone from Rs. 50 to Rs. 21 in a year. So the market is not really appreciate whatever space we are taking that is the end of my question? So there are two questions only.

Dr. Ashok Haldia: Yes, firstly, in terms of our comparative figures on the performance those are not compared with the public sector companies, those are compared with the IFC's which are comparable to us. The second question is that in terms of the recovery of the lending that we are making as I said we gave you the portfolio profile and particularly for the renewable and where I have shared with you the profile of these projects be operational and also that we have been able to recover our dues and we have restrained our funding to our existing promoters with which we have a poor track record. As far as the road projects are concerned as I said two precautions that we have taken apart from the normal due diligence that we would carry out one is that these projects are again those companies which are rated by the external agencies with the A+ or AA and those are in the bracket of the top four or five in the country. And secondly, almost all of them and I can say maybe correct me Pawan Ji, all of these projects are annuity-based projects these are like an annuity where the Government is expected to pay them irrespective of the performance on the toll front. So it is under the concessionaire agreement and an annuity which the Government is expected to pay and independent of the performance on the road. So these are the projects that we have done. We have not done any of the toll-based projects. So that the precautions that w have taken. And your question Rajesh is that you have asked about the last one year and the perception of the market. I would say that it is something which relates to the factor, it is something which relates to the impact of the sector on our portfolio of the stressed assets. And the issue is that stress in the sector or in project which released only over a period of time with the major that we undertake for the voluntary resolutions or the major that will be taken through the legal process and that is some time-consuming process. As I explained for the projects that there we are the sole lenders or we are the lead lenders, the progress has been far more in the advanced stage. And as far as the consortium is concerned, we are playing an active and we believe because of the RBI interventions and because of the lenders themselves have become far more proactive we expect those things to resolve in another three months to six months. So I would believe within three months to six months the position would be very clear and then maybe the market would have I mean would then have a greater level of understanding as to the direction these stressed assets are moving. But as far as on the current portfolio is concerned and the railway, the road is concerned, as I said there is no stress as on date. Those two project where we have the stressed, I have already explained to you that those are moving in the right directions and we expect to recover our entire amount including the interest due portion.

Moderator: Thank you. Next question is from the line of Dimple Kotak from SKS Capital. Please go ahead.

Dimple Kotak: I just missed on the part of your adjusted profitability for this quarter, adjusting of the one-time expense and the provision it is Rs. 87 crores?

Dr. Pawan Singh: Adjusted profit for the quarter after tax is Rs. 80 crores.

Dimple Kotak: Rs. 80 crores and for the full year it will stand at around Rs. 348 crores?

Dr. Pawan Singh: Adjusted profit for the year would stand at Rs. 348 crores, yes.

Dimple Kotak: Okay. And sir, what was this one-time expense which you were discussing about?

Dr. Pawan Singh: This is the provision which we have done in the current year which is amounting to about Rs. 220 crores.

Dimple Kotak: Sir, going ahead when do we see better asset quality and how will the provisions pan out in the coming quarter?

Dr. Pawan Singh: See, this asset which we have made provision they primary pertain to thermal and hydro which constitutes roughly about 20% of my portfolio. So as we know there is a stress in thermal and hydro the impact of that is now being felt everywhere and of course, PFS is not insulated to that extent. But one thing is very clear because these projects which are there and then these are all legacy projects prior to 2012 and if we look at our focus area after 2012 we have largely shifted to renewable. So today by the gross NPA is over 6.5%. But if I take out the thermal and hydro from there then my gross NPA would stand at less than 1%. So as we have made substantial provision on thermal but we cannot rule out some more provisioning happening in maybe one or two quarters but a large portion of that has already been provided for. We are in the process of resolution and what looks like is that probably this would be closer to bottoming out.

Dimple Kotak: Okay. So basically stress will be there till at least one quarter or two quarters till resolution and the process is done?

Dr. Pawan Singh: Yes. So some throw forward could be there for first quarter or second quarter and maybe sometime middle of the current year we would be considered that we would have been there with the clean slate.

Dimple Kotak: Okay, sir. Sir, so is thermal and hydro 20% of the portfolio rest 80% you can clearly say that these are not stressed or you do not need to provide anything for them.

Dr. Ashok Haldia: See, the balance port is 60% renewable where I said that if I take that only 1% would be the gross NPA amount. And balanced another 20% is others. So in others.

Dimple Kotak: What others include?

Dr. Ashok Haldia: Others includes transmission lines, it includes distribution companies primarily and there are two - three other projects which are pertaining their miscellaneous which are pertaining to energy efficiency or rail siding and one EPC player.

Dimple Kotak: Okay. So that 20% does it have any stressed asset or gain?

Dr. Ashok Haldia: That 20% would also have a similar you can say that 1% to 2% would slide on the gross NPA's.

Moderator: Thank you. The next question is from the line of Vaibhav Badjatya from HNI Investments. Please go ahead.

Vaibhav Badjatya: Sir, thanks for providing me the opportunity to ask the question. Sir, I have broadly two questions. One is on our liability profile, you know what is our liability profile and how much it is fixed rated and how much variable?

Dr. Pawan Singh: See, our liability profile if you look at it, we have roughly about Rs. 2,200 crores of borrowing, right? Out of this Rs. 10,200 crores about Rs. 1,500 crores confirm commercial paper which is very short-term, which you can say that as we keep on borrowing depending on the market rate we get whatever pricing is this. roughly about close to Rs. 600 crores we have through debentures, which is fixed nature. Then we have close to roughly about Rs. 400 crores coming from ECB source, which is labor linked, the spread is fixed but the labor would move, right? Balance is institutional funding and bank funding. Institutional funding is roughly about close to Rs. 400 crores which is again fixed in nature and normally the tenure is one year and revolving. Rest of the loans are all NCLR based and they are one-year NCLR or six months MCLR and they get repriced after the period of six months or one year. Tenure is for a longer period. Tenures are ranging from 15 years to 20 years, but the pricing happens six months or one year.

Vaibhav Badjatya: Okay, fair enough. So as you said, I think the large portion of our liabilities are in terms of bank borrowing which are mostly variable in nature. So why we have not seen the cost of fund declining over the last….

Dr. Pawan Singh: No, it has come down. In last one year, it has come down from 8.79 to 8.21.

Vaibhav Badjatya: But it is to inline the day yields have moved. So I was just wondering, is there a mismatch in terms of repricing of assets and the repricing of liabilities which has resulted and the contraction of yield apart from the stressed asset impact that we have one our NIM?

Dr. Pawan Singh: See, there are two ways of repricing the yield. One is that whatever our cost of borrowing is there, it becomes part of our PFS reference rate, right? So automatically if my cost of borrowing moves the lending rates get repriced up and down depending on the cost of borrowing. But not all certain percentage because the prime lending rate which we are maintaining has a large constituent of my cost of borrowing but it also had my overhead and my risk premium and my markup. So part of it is gets repriced depending on my cost of borrowing, right? Apart from that the repricing also happens because you know because of the market competitions. Now we are saying that in the renewable space there is very little stressed. So that is where the quality assets lie actually. Today, the renewable assets are at a premium. So you know once the projects are complete they have run for satisfactory operation one year and so on. Many of these this renewable projects they are going for yield model actually, they are going for raising bonds. So then what happens is either we have to reprice ourselves to match that or pre-payment happens. We will also find that quite a bit of prepayment has happened last year. So whenever there is a market competitive reasons we have to reprice our loan. So the pricing varies on two accounts, one is a market condition and also my cost of borrowings.

Dr. Ashok Haldia: But let me add to that, one is that there has been pressure on yield and the cost of borrowing has also reduced. But as I said on both terms we are better than what the other market players which are comparable. The second thing is that when you are seeing in terms of the comparison and I have explained that consciously, we have taken a call against high yield products but at the same time which we thought would be highly risky of the corporate loans that we stopped last year. So because that also there was a pressure on the yield, the number that you are seeing. So as we move forward and considering the trend that we have as of now and the request that are pending before us we believe that this year we would be able to do a reasonably safe corporate lending which would increase the yield for us.

Vaibhav Badjatya: Right. But sir, then….

Dr. Ashok Haldia: Let me also clarify, not only clarify add to what Mr. Pawan Singh said to an earlier question that we have the thermal assets 20% of our loan book but not that all the 20% is under stress. I just asked my official to give me at least and they immediately informed me that at least the thermal assets orders are about Rs. 600 crores to Rs. 700 crores. immediately they put call out those thermal assets, we do not have any payment problems. So it is not all the thermal assets are under stressed. I would say at least 40% to 50% our thermal assets are paying to us are paying to us in time.

Vaibhav Badjatya: Fair enough. And sir, so on our asset side do we have any fixed retail loan on the asset side or we do not have everything is just variable and the repricing gets done every one year or six months or so, is it the case or there is a long-term fixed rated asset also that we have?

Dr. Ashok Haldia: They are all priced at PFS reference rate.

Vaibhav Badjatya: Okay. So it will move in line with PFS reference rate that is what you meant?

Dr. Ashok Haldia: Yes.

Vaibhav Badjatya: Okay. And secondly, in terms of I was just trying to understand the fact that from a bank's perspective, if a bank lends to an NBFC IFC like us, would the risk weightage different for the bank against the fact they invest in similar rated project themselves? What I meant to say is that if they directly invest in AAA-rated on a particular credit rating they invest directly vis-à-vis they invest in NBFC as we. So for similar credit rating would their risk weightage differ?

Dr. Ashok Haldia: No. See, risk weightage is not limited to NBFC, risk weightage is related to as you rightly said it is related to your rating. So just on the rating, they get priced. And also depends on whether they are lending to a Government institution or a non-Government institution. So that also has a way. And the Government is purely Government I mean something like which is backed by Government guarantee. So there the risk weightage is different but lending to NBFC does not necessarily increase the risk weightage but yes, they have kind of as to sectorial limits are there so they would have a limit on NBFC as to how much they can lend to NBFC? It would not affect the risk weightage but it would definitely define the exposure limit to a sector.

Vaibhav Badjatya: Fair enough. So then how does we can compete with bank's directly giving funding to projects particularly in renewable space? I mean, they can lend to us, we can add-up our margin and lend to renewable projects but they can directly do that activity. So how we can competitively price with the bank?

Dr. Ashok Haldia: Firstly, when a developers approach to the banks and developer approaches to the institute in regard, he finds a lot of qualitative difference and therefore, he would prefer an organization like PFIs and going to an organization like banks. Second thing is that in terms of the project under implementation or the projects which are operational, the banks often have a switch-on switch-off or I could say it depends on the mood of the bank within the inverted comma when I am saying mood means their policy perspective, their cycle perspective which keeps on changing on and off, up and down and that affects the continuity or the flow of credit to the project. At times you will find the banks would say the power sector they have not fund at all. So no power sector renewable or thermal they would go. At times they say, they would fund but only to an established promoters who are already they are applying, they would fund their projects. So the funding from the bank for these projects is I mean there is lack of profitability for getting funding to these projects. As far as for the IFC like us our main objective to provide fund in the infrastructure space and possibly we would be expected to know we are having a domain experience about the sector realities. So that what makes me change and that is what makes the difference. So even if you look into the projects that are coming to us for refinancing, many of those are those who are going for the raising the debt from the market or maybe from the countries outside India, there are not many now who would be getting refinanced from the banks. And second thing is that if you look into the current year our loan book, we have also started chipping in and taking over the loan of the project which are operational and operational and established. So a couple of years ago there was on way traffic that is only the other banks and the institution would take over our established projects in terms of refinancing but that is not only one way now. We are also chipping in, wherever we find that the promoter in the projects are more creditworthy. If the present-day times when the stress in the sector was a greater challenge and we concentrate you recall our interactions from last one year - two years we have been constantly telling that our objective is the quality of portfolio not for the sake of short-term objectives of having higher spread and the higher profitability sacrifice a long-term perspective of quality of portfolio.

Vaibhav Badjatya: Last question from the side, in last financial year which is fiscal 2017, we saw quite a good jump in our non-fund-based exposure. I just want to know what has been a trend this year till December and post-December 2017 after RBI has changed some of the norms related to LOC. I just want to get a feel on that portion of our book and the related fee income related to non-fund-based exposures.

Pawan Singh: See, there are two parts to it. One is we give LOC, we do not give we do not give LC's. So these LOCs serve two purpose, they serve was LC for suppliers credit, they also serve as a quasi guarantee for suppliers credit and this also serves as a guarantee for the letter of credit which is opened by the bank. Now, as far as the trade credit goes that is where RBI has put in restriction, okay. Now, fine print of that is being understood because not everything that is going to stop because as we get clarity probably this product would not be fully done away with this opportunity would be there. But from our perspective what happens is this LOC when we give for the trade credit, it really often does not work to our advantage because what happens our disbursements get held on till that period. Now, what may happen, suppose we come down on the LOC, if the LOC business comes and the trade credit reduces the disbursements that will replace our disbursements, so our no doubt standing will improve? And between the two if we have to choose both are good but then between the two we have to choose will prefer disbursement over LOC for trade credits.

Vaibhav Badjatya: Fair enough. But in terms of you know, for example, **(Inaudible) 51:36.3** which is kind of directly booked into P&L. so I was just trying to understand the impact on the profitability for a particular quarter for a particular year due to shift from LOCs to the normal disbursements.

Dr. Ashok Haldia: Obviously the Q4, the other income has been affected because of the developments that have taken place and because of the bankers not giving that product. So obviously it is the Q4 that has been impacted. But I would believe as we see and as the industry and the banking sector itself has been representing to RBI that there could be stronger cheques and balances and better you know electronic means to check the problem that we have witnessed rather than doing away with the projects. What has happened that the cost the financial cost of the project of solar and the wind which were highly competitive rebate has gone up? So obviously they are pleading for that, they are pleading with the Government and the RBI to fortify the regulatory framework rather than doing away with the product.

Moderator: Thank you. The next question is from the line of Anitha Rangan from HSBC Asset Management. Please go ahead.

Anitha Rangan: One thing I wanted to understand from your financial release was that overall the shareholder funds amount has gone down from Rs. 2,419 crores to Rs. 2,339 crores. But you have reports like the profit at an absolute level at more than a consolidate and standalone level. So what is the reason for the decline in the shareholder funds?

Dr. Ashok Haldia: This is a dividend paid for the last year.

Anitha Rangan: Okay. And what would that quantum be?

Dr. Ashok Haldia: Rs. 115 crores.

Anitha Rangan: Okay. So like I am just trying to understand even if the business has to look slightly weaker position but you still want to like pay dividends why would not conserve the capital for growth or for provisioning?

Dr. Ashok Haldia: The idea is that firstly the investors are very I mean are one of the very important stakeholders for us we need to live up to their expectations and aspirations. And second thing is that we believe that our business model continues to remain robust. So this one quarter we might have a blip but then our business model continues to remain robust and we continue to maintain growth momentum. So while the amount is small but then we thought that we should continue to declare and pay a dividend to the shareholders. And as far as the capital is concerned, we have adequate capital adequacy ratio and if the requirement does, we have the ability to raise the capital or the alternative instruments in the market.

Anitha Rangan: Okay. What are our capital adequacy ratio be at the end of the year?

Dr. Pawan Singh: This was over 21%.

Anitha Rangan: Okay. And also can you share what would be your totals like stressed assets including in the restructured assets and NPA put together?

Dr. Ashok Haldia: See, if we take you know because this figure is quite you know I mean you say what would be your stressed asset and what would not be a stressed asset could be a little challenging other than what is NPA. Probably the way we defined stressed asset internally is what we have provided as NPA and what we have restructured, and you know so if we look at that figure about Rs. 838 crores is the NPA figure which we have and then about roughly close to the single amount we have you know projects under SDR and outside SDR but they are outside SDR and

OSDR that is the strategic debt restructuring. So but then these are the projects where you know resolutions plans are being worked out. So they have completed projects with last mile issues and some resolution is expected maybe within one quarter or at best in two quarters.

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

Manoj Kumar Pandey: Sir, I have two questions - three questions. First question is in your result, you are saying that the company's loan book is growing by 20%, which you are saying moderate robust. But I think, it is just a moderate growth, the robust growth would be 30%, 30% for NBFC like us. I would like to know whether next financial year can we grow at 30% level because there is too much plenty of opportunities in the market for lending. This is the first question. Second question is the Government has recently formed International solar alliance so are we anyway going to benefit from that or have we done any opportunity analysis for the company from solar alliance business? And thirdly, I just want to know that your NPA is Rs. 838 crores and provisions which you have made is Rs. 585 crores so what is the status of the difference whether the difference is to provide in the next quarter our next two quarters? This is my third question. And the fourth question I would like to have quite recently just one or two months back you have advertised for six projects - seven projects for resolutions which had been projected to be resolved in this quarter in the first quarter of the financial year 2019. So what is the status and how close we are to getting these stressed assets resolved? Thank you, please answer my questions.

Dr. Ashok Haldia: Yes. Thank you very much. I think very relevant questions. And let me respond to your first question, 30% plus growth that we had and as I said the last year the challenges in the sector and also the approach that we adopted of being highly selective in financial and in that perspective, we said that the 20% growth and the growth momentum. But see, the growth in terms of sanction and disbursement is very easier to achieve, it is not difficult. But maintaining the quality of the portfolio is very challenging, so we thought we stressed on maintaining the quality and let me reiterate that and the entire funding of our last year's I mean most of it has to be our existing promoters for their new projects and with whom we have a proven track records of financials or the new groups which are well known in the markets. Your question was to what we will be able to achieve and the next year, I will give you just one idea, we made a comparison as to what solar capacity awarded and the wind capacity awarded last year and what would be the scenario in the current year. So now, if you see the comparison to the last year in the last year the solar capacity awarded was 3,705 megawatt compared to 4,970 megawatts and 8,095 megawatts in the previous two years. And in terms of the wind, all India capacity added was 1,766 megawatt compared to 7,192 megawatts in the FY 2017. And if we look at the projections for the current year, the projections which are likely installed likely installation for the wind and the solar is above 4,000 megawatts for the wind and 12,000 megawatts for the solar **1:02:07.9**

Manoj Kumar Pandey: Put together greater than the last three years.

Dr. Ashok Haldia: Yes. And then the senior debt potentials is about Rs. 56,000 crores. So that is what the potential available to us and we normally project ourself up to 8% to 10% of the potentials available to us I mean at a most conservative basis. Similarly, we have worked for the roads and we expect the road potential considering what the Government of India project to be more than 20,000 crores and accordingly we have worked out as to what should be the PFS role and on that basis we believe in we should be able to at least achieve what you are saying but that is what we are hoping to be. That is how I mean I have compared the scenario that was in the 2017 - 2018 and also the potential that would be for the 2018 - 2019. Your question of the international solar alliance, yes, that has put the India on the global map of the solar power development and solar energy. And obviously, we one of the leading institutions possibly one of the largest non-government entity in the renewable space. so certainly we would be benefited out of it and we have been in talks with them as to what way in their projects not necessarily of the intention of funding of the making profits or huge profits. But in terms of adding value and developing a brand image for the PFS, we are already in touch with them. The third thing that you said was the difference between the gross NPA and the net NPA. If we would see after one quarter or maybe the two quarter, you will find that some of these or some of these assets of this NPA get resolved would get resolved either because of we have already final resolution plan is moved to NCLT or because we have the proposals received by us from the ARCs and the third thing is in one of the case may be the consortium of the lenders have worked out to finality short-term year and the consistently no provisioning would be required made for that. So while the NPA and the net NPA appears to be on a higher side, if we account for these differences you know the gap would be reduced to great extent.

Manoj Kumar Pandey: Okay. And what about the status of these six accounts which you have received a proposal from ARC?

Dr. Ashok Haldia: No, let me tell you I think at this stage when we are evaluating that proposal will not able appropriate to share with you. But I will give an example, like one of the loan accounts we have which taken together the interest amount we expect to realize or recover during this quarter or the next quarter. So to that extent that would be resolved and maybe there is no need for further provisioning or maybe the existing provision if things goes on well if they require to be written-back. In another case, there will be a loan outstanding, we have a collateral available. The loan account was made NPA this quarter, but we have a very strong collateral in terms of the personal assets of the promoter and we have received the interest from the investors or from the ARCs. So this way we would able to bridge that gap between the gross NPA and the net NPA to a significant extent in the Q1 or maybe Q2.

Moderator: Thank you. The next question is from the line of Sagar Shah fromKSA Securities. Please go ahead.

Sagar Shah: My first question was regarding to I wanted the break-up actually…

Dr. Ashok Haldia: Of? Break-up of?

Sagar Shah: Break-up of our total outstanding loan book is around Rs. 12,816 crores as stated in the Press Release actually. So I wanted the break-up of the power and the road actually and in the power also I wanted the break-up of renewal versus the thermal?

Dr. Ashok Haldia: As we have told thermal is roughly closed to 20.

Dr. Pawan Singh: Power is nearly 10.

Dr. Ashok Haldia: So thermal is about 20.

Sagar Shah: 10% of the total book?

Dr. Ashok Haldia: Yes. Outstanding is close to 50%. 20 %is others, okay. Small percent is about hydro. So now this road would be part of the others and today…

Sagar Shah: Part of the others?

Dr. Ashok Haldia: Yes.

Sagar Shah: And the power is 60 as you told?

Dr. Ashok Haldia: No, power is roughly about Rs. 10,000 crores, 800 figure which you have said just now.

Sagar Shah: Okay. So roughly about 80%?

Dr. Ashok Haldia: Yes. But then out of that power of the total outstanding roughly about so 10% of that of the power would be you know thermal and balance will be renewable.

Sagar Shah: Okay, 10% is thermal.

Dr. Ashok Haldia: Of the power.

Sagar Shah: Okay. So can you sustain what is the level of stressed assets in the power book? Any percentage?

Dr. Ashok Haldia: We have already said that power is mostly 99% it is thermal. So we said that out of thermal that Rs. 2,000 crores it was told that certain percentage is not under stress but about certain percentage is under stress.

Sagar Shah: No, but actually I am not able to get from why are there certain percentage because every quarter we are actually….

Dr. Ashok Haldia: Yes, not let me I think let Gaurav bring that to you. The total assets is this as you said Rs. 12,800 crores. Out of this, we have the renewable about 60% of that and then we have a thermal which is maybe around 20% or maybe 18% to 20% we will share the exact figure with you. Now, out of this thermal thing we have about 40% to 50% of this thermal thing under stress. So you can say maybe something around 1,000 with the thermal which is a definition or within the classification that Mr. Pawan Singh has earlier explained. So maybe something around Rs. 1,000 crores should be of the thermal so that is what the break-up would be Mr. Pawan Singh…..

Sagar Shah: But sir, how much have we really done provision of that Rs. 1,000 crores?

Dr. Pawan Singh: Out of this we have made provision of about roughly Rs. 300 crores we have done provision.

Sagar Shah: So still Rs. 700 crores is left.

Dr. Pawan Singh: No, out of thermal we are saying.

Sagar Shah: Yes, out of thermal you only said that Rs. 1,000 crores is the thermal?

Dr. Pawan Singh: Let me make you understand, we are looking at figures the different way. You look at the total, do not look at this way, if you are talking about stressed assets, let us talk about stressed assets, we are doing asset wise classification, we will do asset wise classification. Now let me tell you that out of the stressed assets which we have, we do not give a certain number which is you know part of it is NPA which we said that it is Rs. 838 crores and a number closer to that is restructured asset. Now out of this Rs. 838 crores which is NPA, take out roughly about Rs. 280 crores we take out from there. about Rs. 538 crores would be the thermal NPA.

Sagar Shah: Thermal NPA?

Dr. Pawan Singh: Yes. Now, rest when we are talking about thermal assets, when we take out this Rs. 538 crores then right so already MD has said that certain roughly about 40% of this thermal asset is up and doing well.

Sagar Shah: Okay. So 60% is stressed?

Dr. Pawan Singh: No, let me explain to you, let us be very clear. So that takes care of Rs. 500 crores plus roughly about Rs. 700 crores, so Rs. 1,200 crores is gone, right? Now, left is about Rs. 700 crores to Rs. 800 crores, right? Now, this Rs. 700 crores to Rs. 800 crores as I explained earlier falls into the restructured assets where I told that they are assets which are complete or almost complete and some last mile issues are being thrashed out and probably in the quarter or maybe two quarters they should be resolved and they should be operational, some provisions in this we have already made.

Sagar Shah: So something I wanted to know in the restructured book of around Rs. 700 crores that you told, so how much of these assets how much are we getting interested actually?

Dr. Pawan Singh: Now, we are not booking any interest on these assets.

Sagar Shah: You are not booking any interest on these assets.

Dr. Pawan Singh: Right.

Sagar Shah: So in FY 2019, in FY 2019, is the provisioning that we have done in the current quarter or we have done in the entire FY 2018, it is going to be meet the same provisioning are is going to be the same as we are in FY 2019 also?

Dr. Ashok Haldia: So that would depend on the outcome of the resolution plan which are underway because we are not booking interest at all in these accounts.

Dr. Pawan Singh: But as we said that we are expecting a resolution in a quarter or two. So once the resolution is there the interest booking will automatically start.

Sagar Shah: Okay. And then something like you told in this two hydropower assets, the provisioning was done in this current quarter actually.

Dr. Ashok Haldia: No, in these two hydro projects, they have been declared NPA in the current quarter but we made some provisioning even without declaring NPA in the earlier quarter because as I said what we thought it would be prudent to do. So while they become NPA this quarter, we made some provisioning in the previous quarter as well on these two projects.

Sagar Shah: So something like the resolution takes place in the next two quarters?

Dr. Ashok Haldia: Yes. Then we will see a reversion on the provisioning. It would be difficult to say because these are the hydro projects and if we hope that if new hydro policy comes in maybe something happens if not then it is a difficult to say whether the reversal will take place or not at least in these two cases.

Dr. Pawan Singh: These hydro projects we have made 10% provision. Now it is very unlikely that this 10% provision will be reversed.

Dr. Ashok Haldia: Okay. So only 10%.

Sagar Shah: As you are saying something like in your renewable you are not seeing any stress in the interest payments?

Dr. Ashok Haldia: Yes, we are not seeing any interest.

Sagar Shah: In any of the accounts you are saying?

Dr. Ashok Haldia: Accepting those two accounts which we earlier classified as an NPA in the earlier quarters and which I had explained that we are in the process of resolution and we already have a good investor's interest into that and we hope to even record the interest that we have booked for the earlier quarters.

Sagar Shah: Okay. So can you give any guidance regarding some NII, what will be the growth in the NII income in FY 2019, any ballpark number?

Dr. Pawan Singh: I think, it may not be right not that we would able to give but we have said that our growth number, the growth figures that we have said would be to maintain the past trend and the trend has been between 25 to 30 for this year. So we hope that we will be able to maintain to that.

Sagar Shah: Okay. My final question is something as you say and something like 2% to 30% is that number so something like in FY 2019 are we going to see a healthier net profit after tax as compared to FY 2018?

Dr. Pawan Singh: No, I think that type of future projection or future statement I may not be able to give. But as we are seeing that our quarter-on-quarter profits based on what we call operational profits that have been and that has been on increase but only the impact. Yes, it is because of the impact of the provisioning and the reversal of the interest and I do not think there is now much reversal of interest that we would be seeing in the FY 2019. So that should to remain, there could be the possibility of some reversal but it is not the extent that we have seen in this year.

Sagar Shah: Okay. So something like this about Rs. 800 crores NPA something like additional NPA is being created in the something that the chances are less in FY 2019?

Dr. Pawan Singh: I mean there are chances because, but the resolution takes place of these three restructure assets it would depend on that as to what way that outcome takes place. But as Dr. Pawan Singh said as far as their current level of valuation is concerned that we have got done at least in two of the projects that is encouraging.

Sagar Shah: Because the thing is sir market is not liking the fact actually that something like in every quarter there is high uncertainty in the company coming. So maybe I was concerned with the fact rate.

Dr. Pawan Singh: See, the only thing we can say at this stage is that the whole concern, we appreciate your concern but the whole thing you have to look from a perspective that where is this stress coming from. So this stress is coming from as I said pre-2,000 tonne projects not post-2,000 tonne projects. So as we go ahead the current book or the book which we have added over to 2012 to 2019, the stress is not coming from there. So old stresses what it looks like the old stress is now getting they are towards bottoming out, so maybe a quarter or two this would be there but then probably we will see that this is over a period of time.

Dr. Ashok Haldia: And just let me add, if you have any further clarification or the fact that you need on the stressed assets please get in touch with Dr. Pawan Singh he will be more happy to provide according to your specific question.

Moderator: Thank you. The next question is from the line of Rohan Mandola from Equirus Securities. Please go ahead.

Rohan Mandola: Sir, I wanted to get your sense like the SDR projects where you have an exposure of around Rs. 800 crores worth of project which are under some kind of restructuring. So have these accounts also been classified as NPA by the banks post this February 12 circular from RBI or are they still standard and other lenders books, any color on that, sir?

Dr. Pawan Singh: On these three assets because see what happen is that when the February circular came from RBI, now these circular RBI immediately made it applicable to the banks, it made it applicable to the NBFCs. Now when it became applicable to the banks immediately and all the this was withdrawn some of these assets for the banks have fallen into the NPA category.

Rohan Mandola: Okay. And sir, are we expecting anything for NBFCs also in near future?

Dr. Pawan Singh: Cannot say because RBI would only know.

Rohan Mandola: Okay. And sir, like on our renewable space the exposure that we have 60% of our book, what will be the percentage of projects which will be under PPAs and what will be the average tariff in the PPA?

Dr. Ashok Haldia: Let me tell you I think about 90% of these projects could be under PPA and we did PPA profile of these project in terms of the rates and I believe sometime later if you get in touch with Mr. Pawan Singh, he should be able to give you we have those details available. But we have not financed any project as of now which is below the rate of I mean Rs. 247, Rs. 398 or Rs. 3 or so. So we have not yet financed any of these projects and we will not finance any of these projects unless we are sure that our elements of risks are fully addressed before we start disbursement of that loans. So unless those all loans are tied up we do not intend to sanction and this was a loan to any of these projects.

Rohan Mandola: And sir, like the estimate that you had given into one of the earlier participants, we had indicated a 56,000 crores of lending opportunity in the renewable space would that be correct?

Dr. Ashok Haldia: Yes.

Rohan Mandola: And sir, on the roadside it was Rs. 27,000 crores, right?

Dr. Ashok Haldia: On the road and ports about Rs. 20,000 crores.

Rohan Mandola: And sir, like during the previous year like have we lost any of the loans to other financials what were the quantum of loans taken over by other financials from our books?

Dr. Ashok Haldia: Yes, we have maybe about Rs. 2,000 crores.

Dr. Pawan Singh: Close to about Rs. 2,700.

Rohan Mandola: Okay.

Dr. Pawan Singh: But we would have also acquired the loans, the figures we not have, we would also acquire the loan of other financers in our fold.

Rohan Mandola: And sir, the renewal projects that we underwrite, do we underwrite and sell them over to other banks or do we purchase it from other financial entities who are underwriting or how does the sourcing arrangement work, sir?

Dr. Pawan Singh: The sourcing arrangement works that either we are the whole lender or we are the main lender. As far as the others are concerned, either we are the co-underwriter or we participate down sales.

Rohan Mandola: Okay. And sir, typically what kind of fee income do we charge on these assets would it be in the range of 1.5% to 2%?

Dr. Pawan Singh: No, not 1.5% - 2%, this is in the range of would depend upon 30 basis points to about 100 basis points depending from project to project.

Moderator: Thank you. The next question is from the line of Shobhit Gupta from ICICI Bank. Please go ahead.

Shobhit Gupta: Sir, just a couple of questions. I mean, going through the results Rs. 120 crores of incremental provisioning was due to the equity investments. Sir, I believe this equity investment was out of that Rs. 133 crores made in East Coast Energy?

Dr. Ashok Haldia: It is partly on that and partly on some of the conversion of the loan into equity that was done and any one of the accounts when this converted we had some appreciation in the value also. So it is a net of all the three elements.

Shobhit Gupta: Okay. So that means sir roughly what amount would tantamount to specifically for East Coast if I go for East Coast specifically then?

Dr. Ashok Haldia: Rs. 35 crores.

Shobhit Gupta: Rs. 35 crores additional?

Dr. Ashok Haldia: Rs. 35 crores, additional in the year Rs. 80 crores. In the entire year, it was Rs. 80 crores.

Shobhit Gupta: Okay, sir. Sir, and you said that additionally Rs. 146 crores provisioning was done on other loans. So sir, this Rs. 146 crores was entirely for those two hydro projects which you mentioned or was it for some other renewable or you know…

Dr. Ashok Haldia: It was all taken together.

Shobhit Gupta: So sir, I mean can you name a couple of specific projects which you know had a major portion in that provisioning amount?

Dr. Ashok Haldia: See, we had bid more provisions in some of the NPAs which were already there. so some of the NPAs which were already been there you know they constitute the larger portion in the Q4 for which we have done the provisioning like Konaseema, Surana Power, Rajpur Hydro, NSL Nagapatnam these are the projects which were already NPA and we have made additional provisioning and then we have made provisioning for the assets which became NPA during the year. But then this would constitute became NPA during the year would constitute maybe hardly 25% of the total provisioning which we have done in the Q4.

Shobhit Gupta: Okay, fine, sir. And sir, one more thing like you have been investing road and the port projects also. So can you just give me a ballpark figure, what would be the total amount of investment in road and ports roughly rough figure, sir?

Dr. Ashok Haldia: We will give you exact figure but nearly maybe consider 5% of the outstanding loan.

Shobhit Gupta: 5% of the outstanding loan book.

Dr. Ashok Haldia: Even lower than that.

Moderator: Thank you. That was the last question. I now hand the conference over to Dr. Ashok Haldia for closing comments. Thank you and over to you.

Dr. Ashok Haldia: Thank you very much for being with us and raising those pertinent questions. Let me sum-up your concerns and respond to those one is in terms of the growth. We had shared with you the potential that exists and also, we have shared with you broadly pipeline that is available to us both for sanction as well as for the disbursement as Dr. Pawan Singh says, these are the number where we have factored into possible mortality rate when the executed document goes for disbursement, disbursement does not take place or when the loan proposals or the loan enquiries come those do not get sanction. So that mortality rate has been factored into this so that is the potential, at the micro level and at the micro level I have shared with you some of the facts and statistics about the potential for the wind-solar, and road and ports. And this will suggest that the growth momentum is likely to be maintained. The second question is which is in terms of the stressed assets that we have. Now, I would only say I would point out three-four factors. One is that the stress in whatever terms that we define internally we said on the 31st March of 2017 has not increased during the current financial year that is one thing. The second thing is there has been a very significant progress in the resolution of these stressed assets and particularly the cases where we were the lead lenders, or we are the sole lenders. And thirdly, what we promised to you or what we stated to you in the earlier analyst interaction that we expect by the end of March or by the end of the quarter one of the next years we would see three accounts - four accounts to get resolved. I would say that I would say all these four accounts should I can now with a greater level of confidence in the month of May that those should get resolved by the end of the quarter one or maybe by the, somewhere by the middle of the next quarter. Fourthly, the gap between the gross NPAs and the net NPAs which the question that you asked was very relevant and I only say that these gaps get gap magnified for the reason that there are assets which are moving towards resolution and once they get resolved, they would go out of the our NPA and therefore, the gap between the gross NPA and net NPA would reduce further. As Dr. Pawan Singh explained to you that during this quarter we have made more provisions for the NPAs for to reduce the gap between the gross and the net NPA. So whatever those assets have remained these are those assets where possibly we should be able to you know resolve and then those should not be remaining in our books. So that gap between the gross NPA and net NPA should get reduced. And lastly, what you have said about the impact the continuing impact of these stress on our balance sheet in the current financial year, we would say that we need to wait for the quarter one and the quarter two but after that we should feel that we should be able to, we should be having very clear picture, we should be able to clearly resolve them. We should have the impact to a large extent being factored into our balance sheet. When I am saying the impact means the impact arising out of the course of action that may take place in the Q1 and the Q2 and fourthly, there has been an increase in the investor's interest into the stressed assets. there has been the increase in the valuations those were being offered a year ago, six months ago and we believe as we move forward the valuations for these assets should improve further. And lastly, let me tell you that we have a capital adequacy of 21%, which gives us the buffer should these stressed assets or what is the NPA impact gets crystallized and gets reflected on our balance sheets or balance sheet is in a position to absorb that. So I would say that we are quite concern ourselves and we are addressing those issues and by the end of the quarter one and quarter two maybe the most of these get factored into or maybe we have very clear idea of the quantum of the stress or the quantum of the impact on the balance sheet and the way forward for dealing that.

With that, Ladies and Gentlemen thank you very much and lastly, I would only say that the growth momentum remains and the growth momentum in the PFS function would continue. Thank you very much and if you have any questions any facts that you want and some of the facts that you want and that we have not been able to address please get in touch with Dr. Pawan Singh and we are trying to fix up a meeting for the one-to-one interactions or maybe the Analyst Meet in sometime this week or the next week in Bombay and may Gaurav and Dr. Pawan Singh would come out with that detail. If you should have more question, please feel free to ask, send us the mail, we should be able to respond you forthrightly and frankly when we meet in Bombay.

Moderator: Thank you. On behalf of PTC India Financial Services Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.