25 October 2024

To, The Manager Listing Department BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400 001	To, The Manager Listing Department National Stock Exchange of India Limited Exchange Plaza, C-1 Block G Bandra - Kurla Complex, Bandra (East) Mumbai - 400 051
BSE Code: 544252	**NSE Code: BAJAJHFL - EQ**

Dear Sir/Madam,

Sub: Transcript of Conference Call held in respect of the Financial Results for the quarter and half-year ended 30 September 2024

Ref: Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations') r/w Clause 15 of Part A of Schedule III to the SEBI Listing Regulations

In furtherance of our letter dated 21 October 2024, the transcript of Q2FY2025 investors conference call has been uploaded on the website of the Company at https://www.bajajhousingfinance.in/investor-presentation

Also, enclosed is the transcript (pdf) as attachment for ease of reference.

We request you to kindly take the same on record.

Thanking you,

Yours Faithfully,
For **Bajaj Housing Finance Limited**

ATUL PATNI Digitally signed by ATUL PATNI
Date: 2024.10.25 17:47:30 +05'30'

Atul Patni
Company Secretary

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Copy to Catalyst Trustee Ltd. (Debenture Trustee, Pune)

"Bajaj Housing Finance Limited
Q2 FY '25 Earnings Conference Call"
October 21, 2024

MANAGEMENT:	**MR. ATUL JAIN – MANAGING DIRECTOR – BAJAJ HOUSING FINANCE LIMITED** **MR. GAURAV KALANI – CHIEF FINANCIAL OFFICER – BAJAJ HOUSING FINANCE LIMITED** **MR. JASMINDER CHAHAL – PRESIDENT, HOME LOANS – BAJAJ HOUSING FINANCE LIMITED** **MR. VIPIN ARORA – EXECUTIVE VICE PRESIDENT – COMMERCIAL REAL ESTATE AND LAP – BAJAJ HOUSING FINANCE LIMITED** **MR. NIRAJ ADIANI – EXECUTIVE VICE PRESIDENT, RISK – BAJAJ HOUSING FINANCE LIMITED**
MODERATOR:	**MR. NISCHINT CHAWATHE – KOTAK INSTITUTIONAL EQUITIES**

Moderator: Ladies and gentlemen, good day and welcome to the Bajaj Housing Finance Q2 FY '25 Earnings Conference Call hosted by Kotak Institutional Equities. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the call, please signal an operator by pressing star then zero on your touch-tone phone.

I now hand the conference over to Mr. Nischint Chawathe from Kotak Institutional Equities. Thank you and over to you, sir.

Nischint Chawathe: Hi. Thanks, Rheo. Good evening. Welcome to the Maiden Earnings Conference Call of Bajaj Housing Finance Limited. We have with us the management of Bajaj Housing Finance today to discuss the Q2FY '25 performance. Represented by Atul Jain, Managing Director, Gaurav Kalani, Chief Financial Officer, Jasminder Chahal, President, Home Loans, Vipin Arora, Executive Vice President, Commercial Real Estate and LAP, and Niraj Adiani, Executive Vice President, Risk.

I would now like to hand over the call to Atul for his opening comments.

Atul Jain: Thank you, Nischint, and a very good evening to all the participants on the call. This is our maiden call, the first call, so that's where our special thanks to all the participants who have joined on this call with us. I'll take the results of the company have been uploaded on BSE, NSE, along with the investor presentation deck, which again, like I'm calling it the first equity presentation deck, what we've uploaded.

I'll refer in first 10-15 minutes, few salient features of the deck, we'll refer and then leave it for question and answers to be there. I straightaway jump to panel number three, which is on the quarterly synopsis of the results. For the last quarter, the company crossed two significant milestones.

One was listing, of course, and second has been the crossing of INR100,000 crores AUM in seventh year of the operation of the company, eighth year of the operation of the company. We continue to have strong growth with AUM growth of 26%. Absolute AUM growth was in same range of last two quarters.

PBT growth was 23%, PAT was 21% because of a tax adjustment in the previous year versus the current year, while risk performance continue to remain strong at a GNPA at 29 bps and NNPA at 12 bps. From an operating efficiencies point of view, opex to NTI improved to 20.5% versus 22.1% in the last year Q2. On a scalability metric, AUM has come as INR 1,02,569 crores, 26% growth.

From a profitability, PBT was INR 708 crores and a 20.5% opex to NIM. Asset quality 29 bps and 12 bps of an NNPA. Credit cost was 2 bps, which was because of an overlay release. Net of overlay release, it would have been 14 bps. Capital adequacy led by because of a public issue towards the end of the quarter, last quarter, has been 28.98%. I'm moving to panel number four, which is on the business metrics. 26% AUM growth is called out.

In between as a subcomponent, home loan had a 24% Y-o-Y AUM growth, loan against property at 18%, lease rental discounting at 28%, and developer finance at 56%. In terms of a portfolio composition, it remains by and large stable with 57.2% as a home loan and close to 10% as loan against property, 19.6% lease rental discounting, 11.7% developer finance, and 1.7% other by and large in the same range, which had been there. Disbursements for Q2 was tad lower than Q2 FY '24, largely led by a decline in transactions in the LRD side of the business for the quarter, because last year same quarter, we had two marquee transactions, large transactions in the lease until discounting business vis-a-vis, that is where the disbursement has been at tad below the last year same quarter. I'll move to panel number five.

Cost of funds came in at 7.92%, which was five bps higher than Q1 FY '25 at 7.87%, and year on year, 28 bps increase, which has been there. Borrowing mix, largely 44%: 45%: 11%. 44% to the bank, 45% on the money market, and National Housing Bank at 11% has been the mix. On the gross spread basis, on a Q2 FY '25, we had 1.9% gross spread, which was stable from the last quarter, which was a Q1, 1.9%.

Of course, on a year on year basis, the gross spread was 2.3% in Q2 FY '24. NIM at 4.1% in Q2 improved marginally from Q1, which was at 3.9%. However, again, a Q2 FY '24 point of view, it was 4.4%. opex to NTI stood at 20.5%, which is an improvement on 22.1% in like-to-like quarter in the last year. For the first half of FY '25, opex to NTI stands at 20.7% versus 23% in H1 FY '24. I'm moving to the panel number six.

GNPA and NNPAs already called out. Loan loss to average loan assets, 0.02% as of 30th November. However, net of overlay release credit cost is 14 bps. On a ROA, 2.5% in Q2 FY '25, nearly same ROA of 2.6% in Q2 FY '24. ROE, given the capital raise in this number, coming down at 13% in Q2 FY '25 versus 16% in Q2 FY '24. Capital adequacy, for the same reason, jumping up to close to 29% on 30th September, 24, against a regulatory requirement of 15%.

Completed IPO process, got listed on 16th September. As of 30th September, out of IPO proceeds of INR 3,560 crores, what was for the company’s primary raise, INR 1,500 crores was yet to be deployed and they remained in the monitoring account. It's expected to be utilized during October 24.

Profit after tax already called out, moved up by 21% against a 23% improvement in the profit before tax. I'm moving to the panel number 14. The strategic differentiators of the company, since this is the first presentation, there are four, five differentiator, what we put as a company differentiator.

First is a scalable balance sheet, because we are constructed for scale and that is where prime housing and lease rental discounting work as a scale builder for the company, which is reflected in last seven years track record, starting a new company to a INR 100,000 crores balance sheet. We are constructed as a low risk business model, which is underwritten from a robust underwriting and generating a risk management performances, also from the type of asset what we choose to lend.

We are constructed for medium return, which we balance the portfolio mix between operating business segments and sub-segments to deliver a medium return to the shareholder and all products suite of mortgage and within all transaction types, all sub-segments, prime, non-prime, we address, while the relative weightage on each segment can be plus or minus depending upon our risk return point of view on a segment.

Borrowing mix, a diversified borrowing mix between banks, money market, NHB, and a focus on enhancing floating rate mix is a strategic differentiator.

I'm moving to panel number 16, which is a quarterly financial snapshot. We have discussed the prime points, only point out is on the half yearly performance, 26% AUM growth, 20% pre-provisioning operating profit growth, profit before tax growing at 21%, PAT growing at 13%.

I'm just reminding last year in quarter one and quarter two, we had an exceptional tax release of previous year tax write backs. That is why the profit after tax growth is lower than the profit before tax in the first half. Moving to panel number 18, on the key financial trends, on the gross spreads, gross portfolio yield remains steady at 9.9% from a one year Q2 FY24 to Q2 FY25. Cost of funds have inched up from 7.6% to 7.9% over the same period.

Gross spread from the same period 2.3% to 1.9%, but stable from last two quarters, nearly stable from last two quarters at a 1.9% to 2% in last three quarters. Operating efficiencies given from opex to NIM moving down to 20.5%.and NIM slightly inching up in last two quarters, going near to the Q3 FY '24 at a 4.1%. Asset quality remains stable from a GNPA and NNPA point of view and return ratios, return on equity coming down because of equity infusion. While return on asset climbing up.

Moving to panel number 19, which is a borrowing mix, 44% as a bank borrowing, 43% as a NCD borrowing, and 1.6% as a CP borrowing, and 11% as a NHB borrowing is by and large a mix with focus on a longer tenor funding through money market and NHB refinance and we have an active relationship with 17 banks on the bank line basis.

Moving to panel number 21, the sustainability ratios for the company. On a leverage ratio, our threshold is 8. We are depicting last four quarters. Of course, right now the leverage ratio has come down because of a rights issue in the first quarter and then followed by a public issue in the second quarter. But that's the ratios we will track at 8 times leverage ratio as we go on. And capital adequacy from a regulatory threshold of 15%, of course, has inched up significantly because of a Q1 and a Q2 capital raise.

I move to panel number 22, which is depicting the portfolio mix over last one year, Y-o-Y, and also from September '23 to March '24 to September'24, by and large stable. 1% differential coming in, in the home loan mix going down and a 2% growth in the developer's construction finance portfolio over a one year period. Other assets are lease rental discounting remaining stable as a part of a portfolio, loan against property going down by around 1% over the period.

Moving to panel number 27, on our asset quality trend, Stage 1 assets remaining by and large stable, 99.21% from Q4 FY'23 to 99.39%, 99.37%, 99.35%, a stable range over last six quarters. Stage 2 assets coming down from a year-on-year perspective from Q4 FY'23 from 0.57% to

0.32%. Provisioning coverage ratios, PCR on Stage 3 assets, remains range bound on 57%, 58%, 59%. GNPA, NNPA numbers we have spoken about.

I come to the last slide where I'm pointing, which is at 29, panel number 29, which gives an asset wise breakup on the GNPAs, NNPAs on an asset breakup from a home loan to loan against property to the other loans. This is what I have from my side. Thank you for patient listening.

I hand over to you Nischint

Moderator: We will now begin with the question-and-answer session. Anyone who wishes to ask a question, press star and one on touchtone phone. If you wish to remove your cell phone from question queue, press star and two. Participants are requested to use handsets while asking questions. Ladies and gentlemen, we will wait for a moment, while question queue assembles. To ask question, please press star and one.

The first question is from Raghav Garg from Ambit Capital. Please go ahead.

Raghav Garg: Hi Atul and team, thanks for giving me an opportunity and Congrats on the results and the listing as well. I have a few questions. One is, what was the disbursement growth in the home loan segment for this quarter, for the second quarter, and also if you can tell me for the first half?

Atul Jain: So, I have readily available on the Y-o-Y numbers. On the retail side, the disbursement growth was close to 7% while on the commercial side the degrowth was of 9% on a Y-o-Y number. We can check on the quarter-on-quarter numbers and come back to you. My assumption is it will be by and large stable but we can come back to you on the specific number. Y-o-Y numbers, we have kept ready for the quarter.

Raghav Garg: Home loan you're saying 7% Y-o-Y disbursement.

Atul Jain: We break it in retail and commercial rather than breaking it on the segments. So on the retail and commercial which is construction finance and your lease rental discounting versus a home loan and a loan against property. But in any case, as an AUM growth also Y-o-Y is given of all the segments, which is by and large stable, barring construction finance, which has risen more. Other 24% is a home loan Y-o-Y AUM growth versus 18% loan against property, 26% lease rental discounting, and a 58% there in DF. At an overall company level, 26% growth. But we can come back to you on the quarter number if you're interested.

Raghav Garg: No problem. And how are you looking at the disbursement growth in the retail side for this year as a whole?

Atul Jain: Raghav, We are operating in one -- a bit of a construct because we are yet not out from the publicity guideline for future looking there. But I'll say that we are, because we are still in regulatory silent period, because this is a 40 days as advised by legal counsel to us. But we'll be by and large stable. We are not seeing any major changes in the disbursements as we go forward.

In fact, our view is that we should be as our SBU of a near prime and affordable is kicking in, we should see a growth picking up a bit towards in the retail segment. Because so far it is largely led by prime, but with the affordable and near prime segment now started delivering numbers, as we go forward, we should have a pickup in the retail numbers.

Raghav Garg: Atul, the only reason I was asking is that you've done 7% for this quarter and given your AUM growth has been at around 26%, a single digit growth would largely mean that the AUM growth slows down further. That's the broad idea that one would get. So, hence that question.

Atul Jain: Raghav, that 7% is a past quarter when we are seeing Y-o-Y on the retail side, but that is already reflected in the AUM growth number what has come, because AUM growth number is also given at a segmental level. So I think that is a reflection of the numbers.

Raghav Garg: But as your base grows larger, those concerns -- that's one of the concerns which may be there, that's all.

Atul Jain: I think you're making a statement of -- as the base grows larger, yes, of course, disbursements need to grow faster to maintain the same AUM growth. It's a mathematically correct statement that's what you're making. But that is what we are there for. We'll try what we have to do, what we have to do. I'm trying to bit balance the response. Like I said that since we are under a publicity guideline, not to give too much of a specific future forward-looking numbers, we can't share, that's why I'm trying to moderate my response.

Raghav Garg: Understood, that's fair enough. Another question is how much further can the cost of borrowing go up from -- because I was looking at some of the NCD data for you and some of your low-cost borrowings are maturing in next couple of quarters. So, you know, just in that backdrop, what is your expectation of further increasing…?

Atul Jain: In the cost of fund side, by and large, whatever you can say the implication of either the earlier low-cost NCD maturing or the pricing, the peaking out of the pass through in the cost of fund, that has happened. Whatever we are seeing a bit of an uptick in the current quarter is largely because of a -- you are aware in last three-four months, there has been an MCLR increased by the banks. There has been all the banks, most of the banks have increased MCLR.

It is not catching up, whatever increases in the Q2, because whatever caught up has to be happened has happened. There are very little number of -- I'm not even sure it is in single, it will be less than INR 300 crores , INR 400-odd crores of a kind of a low-cost NCDs earlier, which are yet to be retired. Otherwise, everything is now -- structurally, it has got picked up. It has structurally got picked up.

Raghav Garg: Understood. And I'm assuming, since you're in that 40-day period, you're also not allowed to speak about your credit cost guidance. Is that correct? Otherwise, my next question would have been on that, given that the current quarterly run date seems too low.

Atul Jain: So quarterly run rate, like we called out, the 2 bps is looking like from, because of an overlay release, a net of overlay release, we are by and large been stable in last four, five quarters of a 14 to 16 bps of a credit cost, net of overlay release. We don't see any reason, because stage two assets have remained at a low level, or have come down over the last one, one and a half year period. We are not looking to look at a very differentiated, or any significant change in the credit cost numbers as we go forward, net of overlay release.

Moderator: Thank you. Next question is from Deepak Gupta, from SBI Pension Funds. Please go ahead.

Deepak Gupta: Good evening, sir. Thank you for taking my question. My first question is on loan sourcing strategy for the company. If you could give us a sense, what percentage of loans, on-book and incrementally, are being sourced from the branches of Bajaj Housing, versus DSA? And in DSA, what would be the share of Bajaj Finance?

Atul Jain: Deepak, so what we source, there is no – in our kind of a sourcing, because we are largely in the prime segment, our branch is not sourcing there. So, branch is largely a front office, where our front office salespeople come and operate from. We largely source at the counter, at the developer counter, or through the distribution partner.

So, in that sense, and we largely in our main cities, where we operate larger part of the business, we operate from BHFL branches, not from BFL branches. Both companies have different branches. Only in some places in the rural market, we take space or a subspace from Bajaj Finance branches to operate, but that's not a BFL branches organization.

It is our people who may have been sitting in the BFL branches as a cost-sharing basis, where we don't have sufficient number of people. So, the entire sourcing by BHFL, not by BFL. If the question is pertaining to the ETB mix of the Bajaj finance, because we get consented customer on the digital leads or on the franchise customer of BFL, that sourcing in the home loan side will be between 12% to 15% kind of a sourcing mix, which remains by and large stable.

Out of the home loan disbursals, whatever come through, 12% to 15% disbursals come from consented customer digital leads basis from what comes from BFL to us. At a distribution side, there is no overlap between two companies. Both companies mobilize business separately. So whatever business we see from a distribution for BHFL is a BHFL mobilization, not a BFL mobilization.

Deepak Gupta: So, I hear you, sir. And my next question is on the fact that, given the fact that now Bajaj Housing is listed and is arm length between Bajaj Finance and Bajaj Housing, can Bajaj Finance also do similar business as Bajaj Housing?

Atul Jain: See, Bajaj Finance already does loan against property business because both companies have their own strategic constructs. Bajaj Finance does the LAP business to primarily meet their vast SME-customer franchisee requirement and to deepen their relationship with these customers.

In BHFL, we primarily look at LAP for incremental returns because we are a housing finance company, overall construct from a regulatory construct, we have to have a majority of the assets in the individual home loan, 50% plus, plus the residential assets have to be 60% plus. So, for us, LAP and LRD are a mix of opportunity base. So it comes as a lower priority for BHFL.

BHFL has its own space, own priority. BFL has its own priority. So, both companies are not guided by each other's priority. So that's where BFL already does a significant amount of a LAP business from quite some time, not from today.

Moderator: The next question is from Viral Shah from IIFL Securities. Please go ahead.

Viral Shah: Yes, hi Atul, congratulations BHFL team. I had one question, I'll just ask that and then maybe I'll come into the queue later on if at all time permits. So, I see your employee count has been reducing since last few years, and also in the first half, it has reduced. So can you tell us like what is the data on the off-role employees? Are they exclusive to us? And like, what are the roles that they perform?

Atul Jain: So, thanks, Viral. What we, in our case, what we have done is that we have changed our strategy of entry-level non-managerial positions. We have shifted to contractual employees around a year, one and a half year back. That's why where you see the employee numbers coming down because all the replacement and all the front-end manpower comes through the manpower outsourcing arrangements through a partner.

So, if you have to, the employee numbers have come down, but if you look at the total number of people deployed, if I have to add the contractual employee, we would have gone up by almost close to 400 people in between March '24 to September '24, because more of our contractual employees, outsource employees have come in than the reduction.

So, the reduction in the on-role employees, if I have to call out in last six months, would be close to 252 because of normal attrition and all new roles which get created or get refilled or gets created on the contractual side, while on the contractual side increase would be 700. So net increase of close to 400 450.

Viral Shah: Got it. And I believe you won't be able to share the numbers as of now because of that restriction?

Atul Jain: I shared the numbers right now, the number of employees, when you have asked the number of employees, I said that in last six months, total number of employees, including outsource, has gone up by close to 400.

Viral Shah: But you won't be able to share the absolute number, the off-role numbers?

Atul Jain: Off-role numbers are, we can, you give us some days to share the absolute number, but in any case, if I'm calling out that 400 numbers have gone up, you can.

Moderator: Thank you. The next question is from Piran Engineer from CLSA. Please go ahead.

Piran Engineer: Yes, hi team, congrats on the quarter and the successful IPO. Just one question on your floating rate loan. So, what percentage would be repo-linked versus internal benchmark-linked? And how are you thinking about pricing in a repo-rate cut environment?

Atul Jain: So, in terms of our repo-rate, I'll give you the specific number. I think close to INR 15,000 crores – could be, INR 13,000 crores asset could be repo-linked, which is match funded by repo-linked liabilities. Close to match funded by repo-linked liabilities. So, there is, if your question is on the spread management as a repo-rate cuts down, it's completely hedged or balanced. In that sense, from wherever, whatever the repo-linked book is there, the same is backed by repo-linked liabilities, largely.

Piran Engineer: And your internal benchmark moves over time with repo, or how does it typically move?

Atul Jain: Internal benchmarks are linked to our cost of fund movement. Internal benchmarks are linked to our cost of fund movement.

Piran Engineer: Got it, got it. Could I squeeze in one more question?

Atul Jain: Yes, please go ahead.

Piran Engineer: Yes, okay. Just on the disbursement growth being only 7% in retail, is that more of conscious decision with regards to pricing or asset quality, or is it a genuine end investor sort of, or end home buyer slowdown?

Atul Jain: No, so there is no concern on the credit cost side or the sales side. The numbers are there. There is no, nothing what we are envisaging or seeing as far to go down in terms of their disbursement. Rather, so my request to you would be to look at, because the earlier question was also towards the disbursement growth.

Probably the portfolio AUM growth is a larger number to look at in the, as far as, you know, mortgage business is concerned. Disbursement growth sequentially or at a number wise is, in our sense, less important than the AUM growth. I'll say at a AUM growth level in the retail also, at a Y-o-Y and a home loan at a 24% AUM growth level is a significantly okay number.

So, we don't see, so there is no conscious decision to slow down or not. It's not being slowed down, whether from a credit point of view or from.

Piran Engineer: No, like competition, like that's what I meant?

Atul Jain: Competition in any case remains very intense. Competition in the home loan, in the prime home loan remains very intense, which all of us remain. But that had been the status from last six seven years, ever since we started the business and expected to remain intense. We don't see any change in the competitive stance or our competitive stance or our appetite to grow or our ability to grow.

Moderator: Thank you. Next question is from Abhishek M from HSBC. Please go ahead.

Abhishek M: Yes, hi. Thank you for taking my question. So two questions, one on provision. So just back calculating, I think the current run rate of overlay utilization is around INR30 crores a quarter. If we just go by this then maybe in the next one - one and a half quarters the existing overlay gets exhausted. So suffice to say that next year we should be around this 14 bps, 15 bps kind of run rate of provisions. That is a normalized run rate of provisions that should continue, right?

Atul Jain: Yes. So Abhishek, rightfully because the overlay now remains only INR10 crores, because INR44 crores is inclusive of macro overlay. Till that, because as an ECL policy that is not a

INR34 crores is a part of a macro overlay at the overall ECL policy. So that the discretionary overlay remains only at INR10 crores.

At a INR25 crores release last year, last quarter it has meant 14 bps of a credit cost if we normalize that. If you look at last four five quarters other than the period when we had used the overlay release to increase stage one non-delinquent coverage point of view, the credit cost has been by and large in the range of 14 to 17 bps hitting 14 to 17 bps in last four five quarter and that's what normally we should be looking at, because as the overlay release is remaining of a INR10 crores which is available now.

Abhishek M: So that normalization may happen quicker, maybe by next quarter itself because the remaining overlay is just INR10 crores?

Atul Jain: Remaining overlay is only INR10 crores, so 14 bps to 17 bps is the buy and large the credit cost corridor if you look at last four-five quarter normalizing overlay release, normalizing any enhancement in the stage one asset cover which comes as a credit cost, but we strengthened in a lot of places of a stage one cover as we had the overlay. As we had the overlay, we used that overlay release in a few quarters to strengthen stage one coverage.

Abhishek M: Got it. That's clear. The second question is just some data keeping questions. Can you share the disbursement mix in the quarter? And just a request - just maybe if you can include it in your deck for future quarters that will be really useful, but can you share it for this quarter the INR12,000 crores, how is it split between HL Lap, LRD and developer finance?

Atul Jain: Abhishek, we'll take a call on inclusive of the data point. Right now, I'm not having the data point right now ready because like I said in the earlier question also we largely go by more by AUM growth, whether when we look at a monthly internally or a quarterly internally, less of a disbursement. But if that is a requirement from most of the analysts, we'll start having the data ready when we come back.

Abhishek M: Sure, because the flow helps us understand the direction actually. It's actually slightly more important the stock we can sort of derive. But just to get a sense, if I look at the AUM mix, would the retail disbursements be lesser than the mix of AUM and corporate, the developer finance and LRD would be higher than the percentage mix of AUM. That is how it should play out, right?

Atul Jain: Because the AUM mix is also published which is from a 1 year to 6 months to now. AUM mix is by and large stable 1% drop in home loan mix which is on the panel number 22, if you refer which is September 23, March 24 and September 24. The AUM mix at a home loan is dropping by 1%, but LAP is also dropping by 1%. LRD remains stable and the developer finance has gone up by 2% from a AUM mix point of view. But the majority of the book still 57% plus 10% LAP remains retail.

So it cannot be, commercial cannot have the more share because 57.2% plus 9.8% which is 67% of the book is still retail in that sense.

Abhishek M: Right. So incrementally growth is - how long can this growth happen from commercial or rather developer finance and LRD or when does growth in home loan disbursement, loan against property when do you have to start growing it at par with LRD or developer finance, that's my basic question because right now it seems to be growing slower.

Atul Jain: So, Abhishek, home loan in the again at AUM level which has gone 26%, home loan has gone by 24%.

Abhishek M: No, I'm asking about disbursement, actually?

Atul Jain: But disbursement, okay like I said that, we'll start putting disbursement because disbursement, more than disbursement AUM is the relevant number, but we'll start putting our disbursement numbers on that because disbursement numbers are an indicator for AUM growth number. Because eventually earning is on AUM for the company, but we'll start putting out the disbursement numbers from next quarter onwards.

Abhishek M: Sure. Okay, thanks. I'll come back in the queue.

Moderator: Thank you. The next question is from Shubhranshu Mishra from PhillipCapital. Please go ahead.

Shubhranshu Mishra: Hi Atul. Hi Gaurav. Congrats on the successful IPO. The first question is on the developer finance book and the LRD book. When we talk about the active customers or active developer relationships, are these unique corporate houses or how many unique corporate houses would we have in each of the book? That's the first.

Second is, what is the exposure of our home loans and the developer finance book to luxury housing which is probably around INR4 crores plus in MMR and maybe INR2 crores plus in rest of India. And the third is a subset of this question. What is your view going forward on luxury housing growth because we're seeing a lot of launches in this sector?

Atul Jain: Sorry, Shubhranshu, I got your first question which was on you are wanting to know the corporate developers for the developer and the LRD book is there. So I'll answer that question and third question I've understood. In second question, I was not able to hear correctly. But the first question which remains which is what we have given as a number of projects and also developer relationships as well which is given out in the deck in terms of the developer finance book is represented by how many numbers.

Generally, lease rental discounting and developer book is not much of over 20, panel number 26 which gives the active developer relationships of 451. So 693 projects represented by 451 developers. So it is in that sense.

Shubhranshu Mishra: No, what I'm asking is out of these 450 developers, how many are unique corporate relationships? I mean, do we have three or four major exposures?

Atul Jain: No, when we call a developer relationship that means if there is a one person who owns multiple entities is called as one. So 451, when we are seeing developer financing, that is then in that sense in your question, you can say it's the 451 corporate relationships or the developer relationships which means-

Shubhranshu Mishra: Unique in that sense?

Management: Yes, 451 are unique. That's why it's 451 representing 693 projects. So that's how, so there can be people having multiple projects or the same person in the same entity exhibiting multiple projects where we have a exposure, 451 are unique developers. Same way in the lease rental discounting, 264 are the unique relationships. So there in your same example, if one corporate house has three entities wherever three relationships, it is counted as one. 264 is counted as one.

Shubhranshu Mishra: Understood. My second question was what is our exposure of luxury houses roughly on INR2 crores plus in rest of India and INR4 crores plus in developer financing and home loans?

Atul Jain: So largely in terms of a disbursal side in the home loan side, generally INR 2 crores and plus would be constituting maybe around 15% odd. I don't have a specific number right now. I think that's a approximate number, but we'll check that number of INR 2 crores plus because largest number of disbursals are our average disbursals in the prime housing space because there are various pieces of business. There is affordable near prime housing in the rural where the ticket prices are low, but if you have to talk about the prime housing, their average disbursal size comes at close to 70 odd lakhs where the larger part of the customers remain between 40 lakhs - 45 lakhs to close to INR 2 crores to INR 2.5 crores. Above INR 4 crores would be very minor part in the retail side very minor part. And in the developer finance as well largely the customers who would have funded above INR 4 crores unit size would again be very, very marginal. We are largely, because we do developer finance for two purposes. First purpose is to act as a funnel for home loan. Largely in luxury housing, it does not act as a funnel for home loan.

So that's where the portfolio mix would be very, very marginal for luxury housing. Above INR4 crores, if you're talking, in the luxury housing?

Shubhranshu Mishra: Above INR 2 crores in construction finance, what would be the exposure?

Atul Jain: I won't have the ready numbers right now for me to answer. But you should assume majority of the book is towards less than INR2 crores. Major part.

Shubhranshu Mishra: My last question is about your view on luxury housing growth going forward?

Atul Jain: I would -- We are very small compared to the industry. So I'll desist from giving an industry view in terms of how the industry is going to grow. We believe, as of today, in a general view, what my personal view would be that all segments of industry have large leeway to grow, but I'll desist from making an industry comment.

Moderator: Next question is from Kunal Shah from Citigroup.

Kunal Shah: Congratulations for listing and thank you for taking my question. So with respect to the lease rental, the way the ticket sizes have been going up now, we are almost 103 compared to less than 60 few years back. So what size? Is there any particular ticket size we would be comfortable with? The developer housing, we have managed it less than INR 50-odd crores in terms of eight years. So anything out there.

And related to that, when we look at it, almost zero stage two, stage three, and developer finance also hardly anything. But when we look at the history, maybe the players in this segment, asset quality has been quite patchy in terms of when the cycle turns. So any plan to create provisioning at any point in time?

Because today it's almost like a zero provisioning on this INR 25 crores, INR- 26,000 crores of the book. So now what would be your view in terms of provisioning in these two segments?

Atul Jain: So there are two questions what you have asked, Kunal. First is on the LRD average ticket size versus developer finance average ticket size. Because in lease rental discounting, it's largely marquee customers and a very large funds and even the REITs, which are the customer, the ticket sizes are significantly higher than the construction finance.

Because in construction finance, there is an execution risk versus in lease rental discounting, there is no execution risk. We don't have a particular ticket size in mind, which we target in lease rental discounting. But of course, since we target the upper end of the customers, because majority of our portfolio is in the grade A commercial, which is leased out to largely whether a Fortune 500 MNC companies or a large Indian corporate.

So the ticket sizes tend to be higher because of the type of collateral and the type of customers we target. The number of average ticket size is an outcome. We remain open to a very large ticket size is also in lease rental discounting.

In the developer finance, in the construction finance, given there is a construction risk also, which gets embedded in the system.

We try to be as granular as possible, which is reflected in the average ticket size and average outstanding per project because of the method, the way we underwrite and the way we disburse, which is on linked to the stage of construction and also the sweeps what we start from the day one. That's where at the outstanding level, at a project level, you will see it at a INR17 crores, at a developer level INR26 crores versus even a sanction amount of a INR46.6 crores or kind of a crore number.

That is on the ATS. On the history and the asset quality and the provisioning what you're talking about, see in lease rental discounting at a INR14,000 crores book, the provisioning in the stage one is INR85 crores, which is from a historic point of view, since we do not never had any stage two or a stage three asset, I think 0.61% kind of a ECL provisioning is significantly higher provisioning than whatever ECL models do that.

What I was calling out in earlier question that whenever we used in two quarters to strengthen stage one provisioning because of a overlay release, we use that here because there is, while as a historical on an ECL model, there is no loss number or a loss percentage which will get calculated on lease rental discounting but the 0.61% what you can see from panel number 28.

The provisioning is 0.61% on an entire stage one asset. There's no stage two and stage three assets, it's more than adequate in our assessment. Same in the developer finance, it's a 0.62%, we carry that, we believe 0.61% and a 0.62% at a stage one asset provisioning is a reasonable bit.

On the asset quality cycle, Kunal, I have to call out that we believe the way we have done construction finance in terms of a granular book, we can't say that in any downturn, there will be no, nothing will happen. But by and large, if you look at just, what you're referring for the people who have the problem and during the industry down cycle, I'll only request you to compare the average outstanding per project and average ticket size per project and number of projects they had for the size of the book will be a rightful reflection because we believe the way we do granular disbursal, disbursal is linked to the stage of the project and not overwhelming concentration. We should be better off even in an industry down cycle and we have tested the industry down cycle earlier as well while we were smaller at that time but our in history of our -- we have funded more than 1000 projects in our history. So far, there had been only four projects where we had encountered troubles and in the entire history of a seven year, out of that one or two we recovered later on and one or two which are reflected in the stage two or stage three as well as of today. That's what Kunal I had to say.

Moderator: Thank you. Next question is from Pranav Gupta from Aionios Alpha Investment Advisors.

Pranav Gupta: Hi and thanks for the opportunity. Congratulations on the successful listing. For this one question, which is a more longer term question, with no large changes that we can expect in the asset mix, how should one think about long-term ROA and think about optimal leverage over a three, four, five year period?

Atul Jain: So, Pranav, that is what we have put in our presentation in the panel number on when we give the sustainability matrix at our leverage. Panel number 21, we believe 8 is the leverage which is a sustainable leverage metric and that’s where as we go forward, as we utilize the capital, what has been there, we can see that before it is when we look to raise the capital.

Pranav Gupta: Right, and just on the ROA bit, with leverage going up, capital getting utilized and no major changes expected in the asset mix, how should one think about ROA going forward?

Atul Jain: So, in the last quarter, ROA, the capital raise has had a very minuscule impact because we got listed only on 16th September. So, 16th September and that also, like we have called out in the presentation, a INR1500 crores as of 30th September also was unutilized. So, there was a minor impact of a ROA in the capital raise in the last quarter.

So, it’s not that the last quarter ROA is driven by the capital raise of last quarter. And if you look at the overall broader number as well, on the trajectory of ROAs over the period, I think that ROAs had been in the range of between 2.3% to 2.5% by and large over the various – if I exclude FY23, it is largely in the stable range of between 2.3% to 2.5%, 2.6% ranging between in a quarter going up or going down slightly a bit. It has been largely stable in the last two - three years.

Moderator: Next question is from Renish from ICICI. Renish from ICICI, you may go ahead with the question. There seems to be no response from the line of Renish. We'll move to the next question. Next question is from Jignesh Shial from InCred Research.

Jignesh Shial: Hi, thanks and congratulations for the successful listing. I only had one question. Bajaj Finance has a particular product called Flexi Loans, which is an OD facility, which has been provided as a personal loan . Do in a home loan, we do Flexi Loans? And if yes, then what will be the proportion of it? Just that's the only question.

Atul Jain: So Jignesh, in home loan as a regulatory construct, you cannot do Flexi, because if the customer pays back to you, then it gets to be classified as a non-home loan. Only in few of the loans, if it is a balanced transfer and you are opting for a top-up, in a top-up, it can be offered as a OD piece, which is not classified as a home loan, because that's classified as a top-up.

It will be a very miniscule part of the portfolio, because only in the few customers who would have some top-up, they may have some amount of flexibility. It will be negligible as a Flexi in the home loan side.

Jignesh Shial: Okay, so my understanding is that then all of our home loans are pure term loan kind of product.

Atul Jain: Yes, it has to be term loan, Jignesh.

Jignesh Shial: Okay, and no Flexi in LRD and corporate also, right?

Atul Jain: No, Dropline Flexi would be there in loan against property, because there's no regulatory standing there, and I specifically called it in a home loan and a construction finance with a residential finance book, because there will be no Flexi or a very miniscule Flexi in the top-up portion. Out of 57% of the book, I think less than 8% or 9% is top-up book. A miniscule piece in the home loan side. Nothing in construction finance. In lease rental discounting, there will be some piece of a drop-line Flexi, which will be available to the customer, because it's a non-home loan asset. You are regularly allowed to do that. Same in loan against property as well.

Jignesh Shial: So LAP will be, what portion would be then Flexi? And any rough-cut idea?

Atul Jain: I'll have to check, with, but majority of the book, there also will be term loan. Small portion. Majority will be term loan.

Jignesh Shial: That's it from my side. Thank you and all the best, sir. Thank you.

Moderator: Thank you. The next question is from Omkar Kamdekar, who's an individual investor. Please go ahead.

Omkar Kamdekar: So, first of all, I wanted to ask, what is your definition of affordable with respect to affordable housing loans?

Atul Jain: See, Omkar, the definition of affordable, there are various definitions. That's why we call prime and non-prime. That's why we call it a near-prime and affordable, because the definition, there's no standard definition of industry or players. So we follow a simplistic rule. Whatever is not prime is a near-prime or affordable. There's a wide variety of definitions of affordable which is used, there is no standard definition what we can refer.

So prime is easier to define the customer who is easily bankable by all banks and largely salaried, a good salary with a good FOIR and buying a very good collateral and rest of the market is in a spread between various parts. That's why we prefer to call it a prime and a non-prime rather than terming it anything else.

Omkar Kamdekar: Actually, I was asking from the perspective of the PMAY guidelines. So if do go for the growth for the affordable housing sector in that segment, so do we look at the same guidelines, the same way that it is defined by the government in the PMAY? So that was the reason behind that question.

Atul Jain: So last time also when the PMAY CLSS-Credit Linked Subsidy scheme was there, we were a participant. We may not have been a very large participant because by definition, our larger amount of our customers are above the 25 lakh loan criteria, what are there. But all government schemes, we participate heartily and we try to mobilize as much as possible because we take it as an opportunity to grow a part of the business and also we feel it is our responsibility to take the schemes coming from government or the regulator or supervisor to convey to the market.

So as PMAY guidelines execution starts, we'll be doing our best to mobilize what we can mobilize. But by nature, or by definition, today our mix is significantly lower in the segment where PMAY guidelines are applicable, the new CLSS guidelines are applicable.

Omkar Kamdekar: Understood and just two final things. How much of scale-up do you think as a total percentage of the AUM would this affordable be in the next three to five years? That's one. And lastly, on the LAP vertical, with respect to the idea being tied on the end-use monetization of the LAP vertical. So what I wanted to understand, how are we monitoring and what is the guidance that you use with respect to making sure that the provisions that you use are well ahead of the regulatory guidelines?

Atul Jain: I did not fully clearly understand your question, Omkar, but I'll answer on what I could. One of your questions was on the forward-looking mix in terms of a prime and a non-prime home loan mix. Like I requested earlier, we are since in a silent period. We'll desist from making any future-looking statement as of now, but that is on the second part. If I got you correctly, it was on your LAP utilization of funds and the monitoring of funds. Is that right?

Omkar Kamdekar: Yes. So, I'm a bit more stringent about trying to identify how the funds for the LAP are specifically unsecured. So, we don't have unsecured, but the end-use monetization for the LAP business vertical. And most of it, the business that we do in the LAP, is this more towards consumption select for business entities and etcetera? How is that vertical in that respect?

Atul Jain: So, LAP, see if it's largely, most of the LAP loans go towards the self-employed segment, which is towards as for the declared end-use funds is whether for business purposes, which can be growth capital and the working capital. Of course, the tracking is as from a self-declared kind of a thing, it is individual. It's not very high-ticket kind of a loan.

Average ticket size is close to 80 lakh to one crore kind of a number. From the individual salaried people who are using it, I'll assume that largely while it's going from a consumption or the personal usage of the account and that's basically the declared purpose, what they give. Because these are individuals who are borrowing. So, this is a declared purpose and that's where we track it.

But largely, most of it would be going in the micro, medium, and the small sector, their business requirement. To the salaried individuals who are taking the LAP loan, would largely be towards consumption is the direction.

Moderator: Thank you. The next question is from Rahil Shah from HSBC.

Rahil Shah: Thank you for taking me on the queue. So, I just wanted to understand the indicative yields on your different segments, so home loan, LAP, construction finance. Can you give a sense of like a range?

Atul Jain: Sorry? For indicative range on what?

Rahil Shah: Lending rates on the home loan, LAP, and construction finance and LRD.

Atul Jain: I'm sorry I cannot share this data, but broadly, I can say on the yield would be in the home loan, between close to 8.8% to 9.2%, on loan against property between 10% to 10.5%, broad, on lease rental discounting between 8.5% to 9%. That's what, and the developer finance between 11.5% to 12.5% or 13%.

Rahil Shah: Okay. Sure. And just between LRD and construction finance, based on your risk tolerance, the mix till what share between those two, would you be comfortable. I'm just trying to understand whether the share of LRD can increase further, or this is something where the company would be comfortable managing the work.

Atul Jain: We remain bullish on lease rental discounting because in our assessment, this has remained always a very low risk business and a scale business, delivering optimum kind of returns to the company and with risk profile being very low, given the choice of the customers and since it is in a way, doubly secured, both cashflow secured, because cashflows are rescued along with the executed property or executed the project or executed building, which is there.

So, there is no cap we have as far as we look at from a lease rental discounting, but there is a different kind of a cap which comes for us because as a regulatory norm, 60% plus of our total assets, which means close to 62% to 63% of our loan assets have to be in the residential space. Because 60% of total assets, then there is a liquidity buffer, which also gets included as an asset. So, the balance assets is only what we can lend for basis the opportunity or risk return metric, whether loan against property or lease rental discounting or some other what we can do.

So the cap can come from that point of view, because if we continue to feel, as of today, our view had been that between loan against property and lease rental discounting, risk return metrics had been better for lease rental discounting. So we have chosen to grow lease rental discounting more. However, one from a upper cap point of view from the regulatory concept, second is loan against property in future becomes much more attractive, it can have some mixed change. But from a business concept point of view, we remain very bullish on lease rental discounting.

From a construction finance, we largely do construction finance for a funnel for our home loan business, which is close to now 11.7%. Our internal view as of today would not to exceed 15 odd percent kind of a mix in this business as we even go forward. That is what I repeat to all.

Rahil Shah: Ok, sure. This was very helpful. Thank you.

Moderator: Thank you. The next question is from Jigar Jani from B&K Securities. Please go ahead.

Jigar Jani: Yes, hi. Thanks for taking my question.

Atul Jain: Jigar, we are sorry. I'm not able to hear your voice is breaking quite significantly. If you are using a speaker, I'll say if you can use a handphone.

Jigar Jani: Yes, sorry about that. So I was asking regarding the provision coverage ratios. So we have seen from Q1 FY '23, the PCRs on stage 1 dropping from about 0.6% to now about 0.34%. So do we have a minimum criteria beyond which we will not drop the stage 1 PCR or we will be driven by the model itself? Similarly on the stage 3 assets as well, so it has fluctuated between say 58 to at max 66 also. So any internal limits beyond which you will not drop the PCRs on stage 1 and stage 3?

Atul Jain: Yes, so first on the stage 1, it is driven by largely ECL model. The level you are saying dropping is because of we were carrying the overlay. As the overlay is getting consumed, it is coming as a normal stage 1 provision. So there is no model fluctuation which is happening here. It is only as the overlay is coming down because overlay fits as a part of a stage 1 coverage. So there is no otherwise model changes or a model coverage change or a dropping of the coverage. It is absolutely in line with whatever is from a excluding overlay, ECL comes as a model which gets refreshed every year and there has not been any changes in the scheme.

But on the stage 3, as per ECL model, the number of LGD is significantly lower, but we generally provide for higher kind of a number as the vintage goes up because all are secured one, but we still try to do that. But again, the range bound will be 50%, 60%. 50% to 60% is what against a model of close to around 40%-odd but 50% to 60% is a PCR on a stage 3 asset what would largely be there. And for stage 1, like I called it, the number remains stable. It's only the overlay adjustment is what is making you look like the stage 1 provision coverage is going down.

Jigar Jani: So now, since the overlay is almost demolished, this should be steady state basically, what we are seeing in the quarter?

Atul Jain: This will be steady state depending on the asset mix, because ECL stage one is different for each different asset. We provide for much higher stage 1 for if it is a commercial asset, whether a lease rental discounting or a construction finance versus a stage 1 asset provisioning for, let us say a home loan and which is visible if you look at the panel number 28, a stage one provisioning for each asset is different for loan against property to lease rental discounting to developer finance.

So a mix of a change, mix change can result into, so for example, if home loan has to grow much faster than other assets, you can look like at a consol level stage 1 coverage going down, but not other way around. So it's a product mix driven stage 1 output. I hope I'm able to explain.

Jigar Jani: Yes, understood, sir. This was very helpful. Thank you.

Moderator: Thank you. The next question is from Gaurav Jani from Prabhudas Lilladher. Please go ahead.

Gaurav Jani: Thank you and congrats on the listing. So we just wanted your outlook on the disbursals, right? So, I mean, Q2 of last year to this year, till we got this quarter, the disbursals have been flattish, right? First half, we've done about INR24,000 crores. So what's the outlook for the second half, this number one?

And secondly, our repayment rates have sort of fallen drastically over the last two quarters. So anything you read out there, I mean, is this a structural thing that we are going to do out here? So that's the first thing.

Atul Jain: I was not able to understand your questions very clearly?

Gaurav Jani: Disbursement, H1 versus H1 is flattish, so H2 or lower. And the second one.

Atul Jain: So I like I called out Gaurav, for the first question that we are desisting from giving a forward looking, but we called out in a roundabout way saying that we deal with a affordable and a non-prime vertical which has gone live. We should be, okay as far as the retail disbursements are concerned. The second question even Gaurav could not get, can you just repeat?

Gaurav Jani: Sure. So what I was trying to ask is the repayment rates have drastically fallen over the last two quarters. Anything to read out here or, is this a structural thing or just, this is a reason and probably we'll get back to normal?

Atul Jain: Yield, you are referring to yield, Gaurav? Again, I'm sorry, we're not able to.

Gaurav Jani: Repayment rates.

Atul Jain: Retainment rates?

Gaurav Jani: Yes.

Atul Jain: You're talking about portfolio attrition?

Gaurav Jani: That's correct.

Atul Jain: Okay. So portfolio attrition, like what you see from a, when you try to do this is a mix of various portfolios. Like if, in case of overall portfolio attrition, when you look at a DF portfolio, construction finance portfolio has a much higher portfolio attrition, because which drives the total attrition, because you will not be able to do a simple mathematics of a disbursement minus AUM growth to arrive at the attrition, because in each of the products, because we are a diversified HFC having a various product mixes and at various assets can have a various kind of attrition driving there.

Therefore, the retail portfolios, the attrition rate remains by and large stable. The larger part of attrition uptick last one year has been driven by the construction finance portfolio, because the residential sales has been very high and there are pre-agreed sweep ratios on each project at every stage. So that's where it has been more coming through the construction finance portfolio in terms of an attrition.

Gaurav Jani: No, so just an extension to that. So last two quarters, we have seen a fall in the attrition right? So just want to understand anything to read into it?

Atul Jain: The attrition rates in the retail side are by and large stable. The plus and minus of the attrition rate, what we have seen would be driven by in the construction finance portfolio at some point of a time, if the sweeps are in a quarter, if the attrition is lower, the attrition overall might, you may calculate in a reverse way, but at a retail portfolio in the home loan side, it's by and large stable over the last 34 quarters.

Gaurav Jani: And for this last question, if I may squeeze in one, we haven't seen a drastic improvement in the margins, despite us raising money in Q1 and Q2 I think will come in, the benefits may come in Q3, but what I wanted to understand is, have we sort of matured borrowings on a back-end basis or how do we look at margins from here on?

Atul Jain: The margins do not change by raising, one, the public issue has been raised only on 16th September and we have called out already that money has not been utilized even as of a 30th September, because 16th September we got listed. So the partial utilization of money has happened only between 16th September to 30th September.

So it cannot have made any impact on our rate, but the margin when we call about the gross spread, which we said is stable between in last 3 quarters from a 2% to 1.9% to 1.9% has nothing to do with the capital infusion, that's your lending rate minus borrowing rate. The capital adequacy, capital being higher would result into ROA going up for a while, which will mean consequently ROE going down, but has no impact on the spread on the capital. Capital does not have an impact on the spread in any manner and investment.

Gaurav Jani: No, sure, so basically a borrowing base would sort of change, right? Once we raise capital, but I was just wondering, we also raised money in Q1, so did we get any benefit of that?

Atul Jain: But Q1, we raised INR2,000 crores as a rights issue. We, on an average, I think Q1, we grew by close to INR5,000-odd crores, so that was -- that meets, but from probably I'm not able to get your question in a rightful manner, because the rights, capital raise has nothing to do with the spread. This capital raise means that your leverage is low, so your absolute profit can go up or ROA can go up, but spread does not change because of a capital.

Gaurav Kalani: Even on a net spread, if you compute basis your interest income to AR and interest cost to AR, that also has remained flat at 2.2%, Q1 versus Q2 of current year.

Gaurav Jani: No, sir, I meant the margins, probably I'll take it offline. There's a difference between the calculation of margins and spread, right? So, anyway, that's fine.

Atul Jain: Sure.

Gaurav Jani: I'll take it offline. Thanks.

Moderator: Thank you very much. We'll take that as the last question. I would now like to hand the conference back to Mr. Nischint Chawathe for closing comments.

Nischint Chawathe: Thank you, everyone, for joining the call today. We thank the management for providing us an opportunity to host the call. Thank you very much, and have a nice day.

Moderator: Thank you very much. On behalf of Kotak Institutional Equities, that concludes this conference. Thank you for joining us, ladies and gentlemen. You may now disconnect your lines.