



## “Union Bank of India Q3 FY20 Earnings Conference Call”

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**MODERATOR:** **MR. RAKESH KUMAR – ANALYST, ELARA SECURITIES PRIVATE LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to the Union Bank of India Q3 FY20 Earnings Conference Call hosted by Elara Securities Private Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing ‘\*’ and then ‘0’ on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Rakesh Kumar from Elara Securities Private Limited. Thank you and over to you, sir.

**Rakesh Kumar:** Thanks, Aman. Good evening everyone. Welcome you all on the Union Bank Conference Call. We have on the line entire top management team from the Union Bank of India led by Mr. Rajkiran Rai G. – MD and CEO, Mr. Gopal Singh Gusain – Executive Director, Mr. Dinesh Kumar Garg – Executive Director, Mr. Manas Ranjan Biswal – Executive Director and other team members. I would like to request CFO ma’am to read out the disclosure statement and thereafter we can start the call. Thanks and over to you ma’am.

**Monika Kalia:** Good evening everyone. Before getting into the concall, I will read out the usual disclaimer statement. I would like to submit that certain statements that may be discussed during the investor interaction may be forward-looking statements based on the current expectations. These statements involve a number of risks, uncertainties, and other factors that cause the actual results to differ from the statement. Investors are therefore requested to check the information independently before making any investment or other decisions. Thank you. Over to you sir.

**Rajkiran Rai G:** Good evening. It is my pleasure and privilege to welcome you all to Union Bank of India investor conference call on financial results for quarter ended December 31st 2019. This being our first concall of 2020, let me wish you all a very Happy New Year and very happy and successful decade of 2020, may be together achieve success in our chosen endeavour.

Coming to the bank’s financials for quarter ended December 2019, Union Bank continued to progress well along the directions we shared at the beginning of quarter. The business and financial has sustained pick up inefficiencies. As on 31st December 2019, global advances grew by 5.8% on annual basis while deposits registered growth of 10.6% on annual basis. On a more granular basis, retail advances grew by 10% while CASA and retail term-deposit contributed to the deposit growth. The bank noted an operating profit of Rs. 2402 crores during Q3 of financial year 20, an increase of 7.2% sequentially and 32.7% on annual basis. The bank had some major recoveries through NCLTs this quarter; however, even adjusting for one-off gains, our performance on efficiency metrics is encouraging.

The net profit stands at 575 crores during Q3 as against 1194 crores loss in the previous year and profit of Rs. 153 crores in the corresponding quarter year ago. The provision coverage ratio stands at 67.42% as of 31st December. Yield on advances improved by 12 basis points

sequentially to 8.01% while cost of deposits came down by 13 basis points to 5.53% for September 2019 quarter.

Net interest margin rose 12 basis points sequentially to 2.47%. Cost-to-income ratio improved to 43.43% compared to 44.66% during previous quarter. Slippage during the quarter was 5,112 crores which include about 2,269 crores exposure to oneHFC.

The bank noted marked gain in recoveries including recovery of Rs. 328 crores in return of accounts for the quarter. Factoring in the developments during the third quarter, our guidance for the financial year 19-20 will be credit growth to be 7 to 9% and deposit growth of 9 to 11% for 19-20, NIM about 2.30, delinquency ratio in the range of 4.5 to 5%, credit cost around 3% and PCR at around 70%, cost to income around 46%, gross NPA is around 145 and net NPA is around 6% by March 2020. Thank you. Now we are open for questions.

- Moderator:** Thank you very much. Ladies and gentlemen, we will now begin the question and answer session. The first question is from the line of Chinmayi Desai from Anvil Shares. Please go ahead.
- Chinmayi Desai:** Just on the DHFL account, what is our exposure and how much are we taken in this quarter and what is the provisioning on that we have right now?
- Rajkiran Rai G:** I think our exposure is 2,267 crores and the provision as on date is 25%.
- Chinmayi Desai:** Sir, this would include even the investment exposure?
- Rajkiran Rai G:** Investment is separately being done. That doesn't include investment, but there also the provisions done as per the policy.
- Chinmayi Desai:** Sir, what is the markdown you have taken there?
- Rajkiran Rai G:** 25% on investment.
- Chinmayi Desai:** Sir, if it is okay, could you share the exposure on the investment book?
- Rajkiran Rai G:** 250 crores.
- Chinmayi Desai:** Also sir, what were the chunky recoveries that we have seen in this quarter?
- Rajkiran Rai G:** It was Essar steel like everybody has done it and then Prayagraj, then Ruchi Soya.
- Chinmayi Desai:** Sir, could you give the exposure?
- Rajkiran Rai G.:** Essar outstanding was 1693, Prayagraj outstanding was 543, Ruchi Soya exposure was 240. Essar recovery was 1930, Prayagraj recovery was 231, Ruchi Soya recovery was 136.

- Chinmayi Desai:** Sir, in the Essar steel account, how much is the interest recovery?
- Rajkiran Rai G:** About 239 crores.
- Moderator:** Thank you. The next question is from the line of Mahesh from Kotak Securities. Please go ahead.
- Mahesh:** Just wanted to check a couple of things, for the fourth quarter, how are you seeing the recoveries and upgrades?
- Rajkiran Rai G:** Fourth quarter, actually our recovery is expected to be around 3000 crores plus actually, so that is coming from, like major accounts we are expecting Bhushan Power & Steel and there are few more accounts which are very close to this thing like Religare Finvest already approved by majority of the bank, so that has to be upgraded now. Then, Jindal Thermal is another process which is going on where our bank has approved and few more banks it is due. That also will be closed this time. Anrak Aluminium is another case where we expect the recovery to happen. Alok has to be closed this quarter.
- Mahesh:** Anything else in the power sector?
- Rajkiran Rai G:** Jindal is one is almost final, so I think NPAs that is only power because Korba is done, Prayagraj is done.
- Monika Kalia:** GMR Chhattisgarh done.
- Mahesh:** Then, coastal energy, you have any exposure there?
- Rajkiran Rai G:** We don't have exposure in coastal.
- Mahesh:** And this quarter again, your slippages have come very large on the SME side, if you could just give us some colour on what has happened there because even if you strip off 2000 crores as a one-off from Dewan, the slippage is quite high?
- Rajkiran Rai G:** 2800, if you take that out, it is close to 2800. Actually, generally our slippages will be between 2000 and 2500 because of the MSME. MSME this quarter slippage is 1121 crores. So, if you take that, I think that is the major chunk actually because agriculture also contributed 714 crores.
- Mahesh:** No, specifically on the MSME sir because this number seems to be quite high?
- Rajkiran Rai G:** Yes, MSME slippage is actually like are happening, but one thing, it is not only the small, actually there is some stress in the medium side also, so actually this number that is why we say conservatively that if there is no chunky account like one housing finance which happened this time which we don't foresee in Q4. Q4, we don't see any chunky big NPA but then the

NPA slippage can be in the range of 2000 to 2500 crores. This will be the normal range I think. It is mainly because of MSME.

- Mahesh:** What will be your SMA1 and 2?
- Rajkiran Rai G:** SMA2 is 10,300, SMA1 generally we are not disclosing, so SMA2 has come down. It is 10,300. Out of that corporate book is around 2100. The corporate actually we don't foresee any big ones now.
- Moderator:** Thank you. Next question is from the line of Anand Dama from Emkay Global. Please go ahead.
- Anand Dama:** Sir, we had NPA divergence for FY19 which we had earlier reported, how have we treated that NPA divergence in this quarter?
- Rajkiran Rai G:** No, NPA divergence we booked fully in the second quarter, so there is no divergence in this quarter because RBI report is annual, so only once they give that and that we fully absorbed in Q2, there is no spillovers.
- Anand Dama:** So, even provisioning side, we have done all the provisioning?
- Rajkiran Rai G:** Everything last quarter, we absorbed.
- Anand Dama:** Okay, so nothing was there in this quarter?
- Rajkiran Rai G:** No.
- Anand Dama:** And sir, apart from that any other large lumpy stress which is pending which possibly could be sitting into our book at this point of time or something similar to DHFL or that size as such?
- Rajkiran Rai G:** No, nothing.
- Anand Dama:** Sir, Air India, I believe we had an exposure from?
- Rajkiran Rai G:** No, we don't have.
- Anand Dama:** We don't have any exposure with that?
- Rajkiran Rai G:** Yes.
- Anand Dama:** And sir, on the Discom front basically what is happening, so many of the Discoms are still reeling under pain as of now and I believe this year onwards, the UDAY bond repayment also will start as such, so what is happening over there and whether there could be another bailout which can come for Discom as such?

- Rajkiran Rai G:** See, Discoms cannot be allowed to fail because then the whole country will go to darkness, so I think the government is already working on that. That is what we understand, so hopefully this will be resolved because one good thing with the Discoms, the last 3-4 months, the payments of current dues are very up to date to all power generators, so old overdues are there which are getting resolved slowly but the current dues are regularly paid. So, that way, there is some substantial improvement in the working of Discoms. Yes, there is some pain in Discoms, so there are huge payments to be done and all that so I think already some discussions are going and you would have heard the government also speaking on that so I think it will be allowed to fail.
- Anand Dama:** So, that is certainly expected that government will not allow them to fail but sir, basically what kind of bailout package that you feel that or may be help that can actually come from the government side given that their own fiscal numbers are pretty stretched?
- Rajkiran Rai G:** I agree but then here the issue is, in the Discom the operating efficiencies have to improve like it is their billing and collection. That is the only area. So, whichever Discom is doing very well on the billing and collection area, they will be out of the problem, so actually here the state governments have to come out and there should be some discipline there. Basically, they announce pre-power and all that so and after that they don't pay the subsidy amount to the Discoms on time and that may be the reason actually, so I think some discipline on that front will help because I am as naive as you on this kind because what government is thinking I don't know, so let us see how it shapes up because these discussions are not taking place with us. So, we don't know what is in their mind.
- Anand Dama:** Sir, what is our Discom exposure?
- Rajkiran Rai G:** Our distribution PSU exposure is 4600 crores and they are all in good Discoms, veryselectively we are doing.
- Anand Dama:** Sir, anything that you will have in UP, Rajasthan, MP or in Tamil Nadu?
- Rajkiran Rai G:** UP, no; Rajasthan, no; MP also no.
- Anand Dama:** Anything in Tamil Nadu?
- Rajkiran Rai G:** It is there in Tamil Nadu Electricity, yes.
- Anand Dama:** Sir, in 4000 crores split,if you can help us with like what?
- Rajkiran Rai G:** It is more on Karnataka, Orissa that kind of states.
- Anand Dama:** There you don't see any concern for except for I think in case of Karnataka?
- Rajkiran Rai G:** Even Karnataka is safe, actually that way we don't see a problem.

- Anand Dama:** And sir, this SME restructuring again has been on a higher side, slippages also have been on the higher side for us, where do you see basically the SME stress settlings are there?
- Rajkiran Rai G:** See, MSME like the restructuring is completed for the earlier part, what was announced earlier, so we restructured worth 1026 crores in MSME.
- Anand Dama:** In this quarter?
- Rajkiran Rai G:** No, that is totally from the earlier lists.
- Anand Dama:** Cumulative?
- Rajkiran Rai G:** Cumulative, 1026 crores because there is earlier RBI announcement of January 2019, which got completed and we did 1026. It is not a very big amount actually and then again this announcement, we are waiting for more clarity, so what is the amount, which will fall under the eligibility criteria and all that we will see and then we will be able to put out but the stress in MSME sector is gradually because see this was there for sometime but the recognition part is happening and it was a bit escalated in the last 2-3 quarters because what happened, whatever could not be restructured they slipped, so I think it should moderate now.
- Anand Dama:** And sir, when can we have the swap ratios for the merger?
- Rajkiran Rai G:** Anytime now because we are waiting for the final guideline, so it can be any time but the process is on.
- Anand Dama:** Sir, in the preliminary due diligence basically anything surprising or the negative side that you have seen in the books of...
- Rajkiran Rai G:** No, nothing else.
- Anand Dama:** Nothing on the pension front or retirement liability and stuff?
- Rajkiran Rai G:** Like there will be procedure called harmonization.
- Anand Dama:** Yes, right.
- Rajkiran Rai G.:** Because actually generally are different, so there will be some minor differences here and there, so that will be taken care in the harmonization part, but then not nothing major.
- Anand Dama:** Sir, NPA harmonization also had some impact or because PNB said that basically they had this some NPAs to be recognised and provisions to be made primarily because of this NPA harmonization among the banks.

**Rajkiran Rai G:** I think a bit premature to talk about it at this point of time because actually the harmonization part has not quantified yet actually. This is in the process, so a bit premature. Let us see because as or like whether it has to be observed before March or it can be in the first balance sheet of June, those things have to be seen.

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

**Jai Mundra:** Sir, in your opening remarks, you mentioned that the net NPA to be below 6%?

**Rajkiran Rai G:** Around 6, I said.

**Jai Mundra:** Okay, around 6% but sir, of course there is a PCA threshold of 6%, so ideally you should be moving to below 6% kind of a threshold and if I do the just rough maths, it looks like you have to decrease your net NPA by around 2500 to 3000 crores, roughly in that range?

**Rajkiran Rai G:** Right.

**Jai Mundra:** You would have some slippages, additional normal slippages and then you said there are some recovery as well, so sir two question on this part sir, one is the 3000 crores kind of recovery that you mentioned but if I were to look at Bhushan and Alok, probably they will be only having 800 to 900 crores kind of a recovery on realized basis, so what else are you sort of factoring in the recovery and second, if the shortfall or if the net NPA reduction would be through write-off, so that is the broad understanding.

**Rajkiran Rai G:** No, this 3000 I am not including write-off as of now because the write-off will have impact on gross NPA, not on net NPA. So, that is why we said that net NPA will be around 6, it is not necessary as of now, there is a first threshold. I think this is a balancing act for me. For me, I need to have a full year profit also, so that is another concern we have. So, either you can make more provision and bring net NPA below 6 or have a full year profit. So, this is something like is a choice.

**Jai Mundra:** And sir, if you can specify these 3000 crores of recovery, Bhushan and Alok are the two large cases, but anything apart from this sir, wherein you have which could give you sizable recovery?

**Rajkiran Rai G:** I will tell you, Bhushan's expected recovery is around 743, Alok 104, Anrak Aluminium 147, and there are smaller accounts. Actually, these are all NCLT cases where we are expecting around 1500 crores. Then we are expecting upgradation. Upgradation is one of the Religare Finvest that is already approved now, so that will be upgraded and then generally Q4, lot of compromises which we have approved. Generally the cash recoveries cross 1000 crores in Q4, the small and medium ones. So, we are expecting that all these will help us to reach that 3000 crores. There is recovery plus upgradation because that reduces the NPA.

- Jai Mundra:** And second sir, apart from Dewan, was there any other large slippages this quarter of around 700-800 crores?
- Rajkiran Rai G:** Next big one was 300 crores.
- Jai Mundra:** And which sector was this?
- Rajkiran Rai G:** There was a construction company and then was a road of exposure of 150, not very big. See, the total corporate slippage was 3018 crores. Out of that if you take out 2260, it is hardly less than 700 crores, other corporates, so that will be the number we will be looking at as we go forward, so when I say is the NPA slippage should be ideally between 2000 to 2500, this is where we derive roughly our numbers.
- Jai Mundra:** And sir, any visibility on this 525 restructuring book, now so far it has been very steady but is it still sometime before they come out of sort of the slated moratorium or they would start coming out of repayment this thing?
- Rajkiran Rai G:** We don't foresee any problem in 5/25 accounts, whatever to be slipped has slipped and whatever existing accounts, like there is no pressure there. They were very normal. Actually, behaviour is very good.
- Moderator:** Thank you. The next question is from the line of Mohit Khanna from CLSA. Please go ahead.
- Mohit Surana:** This is Mohit Surana from CLSA. So, what is the total quantum of interest income from recovery that was one-off in this quarter?
- Rajkiran Rai G:** Only in case of Essar, we had 237.
- Mohit Surana:** And next question is, your operating cost have declined quite a bit in this quarter, so if you can give some colour on this?
- Rajkiran Rai G:** It is steady at the same level, I think 1800.
- Mohit Surana:** If I can see correctly it is 978 crores right, other operating expenses.
- Monika Kalia:** That is other operating expenses.
- Mohit Surana:** Other operating expenses apart from the employee cost that seems to have...
- Rajkiran Rai G:** Employee cost, we made some provision on the wage division, some escalated provision we made, 265 crores provision we made. Generally, we used to make 60 crores per quarter, now this quarter we made 265 crores on the employee side. On the other operating expenses, it may be ATM expenses which came other. POS and ATM, I think there is some curtailment of cost.

That I think we can give you offline also. Nitish will give you the details where exactly it has gone down.

**Mohit Surana:** Lastly, in terms of overseas business, you have shown quite a strong growth this quarter, so any colour on that?

**Rajkiran Rai G:** Yes, this is coming to pre-Nirav Modi days actually. Actually, we were very solid in these branches earlier, but then we are getting very good portfolios there, so we are taking exposure, very good corporates and good exposures. It is mostly actually not much of new businesses as such. It is basically sell down by other banks because generally that is how the international markets operate, so we mostly take short term, so let us say maturity is below one year that kind of thing because the foreign banks and other banks, they sell down regularly, so we are taking that exposure since we have the cushion and where we have the margins we are taking. So, we are very steadily growing.

**Mohit Surana:** And if I may squeeze in one more, sir, I just wanted this data keeping question, outstanding security received for this quarter and last quarter?

**Rajkiran Rai G:** Outstanding security received?

**Mohit Surana:** Yes.

**Rajkiran Rai G:** 720, last quarter was 920, 200 has come down.

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

**Mahrukh Adajania:** Sir, what is the total provisioning write-back from the provisioning line?

**Rajkiran Rai G:** In case of Essar only it was there. I think that goes below operating profit.

**Mahrukh Adajania:** Yes, that is what I am asking of total provisioning write-back?

**Rajkiran Rai G:** So, actually like it would have gone for additional provisioning to NPA, so it doesn't reflect on operating profit side. About 800 crores of provision write-back would have come from Essar roughly.

**Mahrukh Adajania:** And that is it?

**Rajkiran Rai G:** Yes, that would have like adjusted in the provision side actually.

**Mahrukh Adajania:** And not from any other account? Only 800 crores from Essar?

- Rajkiran Rai G:** Others are in the recovery and write-off accounts. Other two major accounts actually where the recovery came, so our recovery and write-off account is 327 crores, so wherever we have made 100% provision and written-off that will go to the recovery's write-off and directly goes to the profit actually.
- Mahrukh Adajania:** So, in the other income?
- Rajkiran Rai G:** Yes, other income.
- Mahrukh Adajania:** And sir, just one more question, you said that of your total other slippages other than Dewan on the corporate side, one was construction and the other was road, did you say road?
- Rajkiran Rai G:** Yes.
- Mahrukh Adajania:** And sir, just one last question on the real estate side, RBI has given this DCCO dispensation right for one year, so have you been able to assess how much portion of your real estate exposure qualifies for this, what percentage like 20, 30, what percent?
- Rajkiran Rai G:** Actually, our real estate exposure is not that large and as of now we don't foresee any problem, but then we assessed about 700 crores of our exposure may become eligible under this RBI dispensation.
- Mahrukh Adajania:** 700 crores, okay.
- Rajkiran Rai G.:** It is not that they need it but then they may become eligible if required.
- Mahrukh Adajania:** And what would be your total real estate exposure?
- Rajkiran Rai G:** 3800, CRE exposure.
- Mahrukh Adajania:** 8800?
- Rajkiran Rai G:** No 3800.
- Moderator:** Thank you. The next question is a followup question from the line of Mahesh from Kotak Securities. Please go ahead.
- Mahesh:** Sir, just two more clarifications, on Religare, given the fact that this will probably be one of the first two instances of an NBFC resolution, was it a public bond issue as well in this?
- Rajkiran Rai G:** No, this is a Chatterjee Group take over actually.
- Mahesh:** Just trying to understand from the other side, when you are marking down the debt, how is the resolution from the NCD side?

- Rajkiran Rai G:** Actually, for the NCD holders?
- Mahesh:** Yes, just trying to understand....
- Rajkiran Rai G:** Haircut we will give for everyone.
- Mahesh:** Whether you were secured, unsecured, it really didn't matter?
- Rajkiran Rai G:** Actually, yes, it didn't matter because here actually we didn't have that public deposit issue I think. Actually, wherever we have public deposit, we have this problem. Otherwise the NCD holders and lenders are almost similar, so they had actually come to an understanding doesn't create a problem.
- Mahesh:** This is one thing. Second one is that on the earlier question on real estate, just one clarification, if an account has been classified as NPL under the restructuring norms of the DCCO being not completed, for the clause of DCCO completion can you now upgrade the asset?
- Rajkiran Rai G:** No, I don't think so. This is our accounts which are standard as on the day of restructuring. The account is already NPA, it will continue as NPA even if you extend the DCCO.
- Mahesh:** So, it has to be standard?
- Rajkiran Rai G:** It has to be standard on the date of that.
- Moderator:** Thank you. The next question is from the line of Rakesh Kumar from Elara Securities. Please go ahead.
- Rakesh Kumar:** Sir, just one question I had like this time, interest accrual, like total interest income on advances like not looking that high, so was that reversal also because of this MSME and agri loans slippage this time?
- Rajkiran Rai G:** Reversals are there every quarter. This time also it is around 200 plus crores. I think we can give that number. So, reversals are there every quarter.
- Rakesh Kumar:** Was it like relatively higher on sequential basis?
- Rajkiran Rai G:** No, it is almost similar to last quarter.
- Rakesh Kumar:** Around 200 crores total reversal?
- Rajkiran Rai G:** Yes, I think reversals are there actually. We can share that number. It is almost stable actually.
- Moderator:** Thank you. Next question is a followup question from the line of Mahrukh Adajania from IDFC. Please go ahead.

**Mahrukh Adajania:** Sir, just on this real estate thing, I don't know if you have an answer. Sir, any idea why this have been notified only for commercial banks and small finance banks and not NBFCs who are more in need of this?

**Rajkiran Rai G:** I also have no idea because it should have been ideally extended to NBFCs, I agree with you.

**Mahrukh Adajania:** They can change it or no?

**Rajkiran Rai G:** I don't know because the initial discussions because actually banks do not have many issue with the commercial because we are not a major lender. Our exposure is mainly through the NBFC. I agree with you. It should have been given to NBFC. It has not come. Let us see that there is any rethinking on that.

**Mahrukh Adajania:** But sir, they will have to refile the circular, is it I mean they will have to reissue the circular or?

**Rajkiran Rai G:** Actually, they have to extend the NBFCs but whether they are in a mood to do that or they would have already examined it before they said this, so I don't know whether they will do it or not but then it will be a great relief if they do it for NBFCs.

**Moderator:** Thank you. The next question is from the line of Sushil Joshi from Indus Equity Advisors. Please go ahead.

**Sushil Joshi:** Just need if you will update more on a merger point of view HR and technology concern and are we on track for 31st March that is 1st April as a combined bank?

**Rajkiran Rai G:** Yes, we are fully prepared actually. That way preparedness is up to date because on the technology side, actually all the engagements have happened, so including the consultants and talking with the Finacle that is Infosys and all that we are prepared for the day one and on the HR side also, most of the policies are already getting approved now, so we are harmonizing the policies between the three banks and all that because there are several committees formed at GM level, ED level and all that so I think our preparedness is up to date.

**Sushil Joshi:** Sir, but to complete the entire exercise between now and 31st March is less than 50 days left?

**Rajkiran Rai G:** On the technology side, what will happen is, the work will start. Like Bank of Baroda, there will be one system available in all the three bank branches where they can go and operate and get some basic services like in my case, Andhra Bank customer can walk into Union Bank and get some basic services, some 12 services are listed under that the basic services which 90-95% of the customers use, so they will be able to transact but getting the technology platform together, all the three banks, this should take anything between 9 to 12 months.

**Sushil Joshi:** And do you estimate the accounting provisions or NPA management and all this will be aligned as of 31st March for all the balance sheet together or you will have to look at it after the merger happens?

**Rajkiran Rai G:** No, that way we are continuously looking at it. There is a lot of study which is happening but the quantification part actually that way the data and all that is all available, so we will look at it like, actually now the first step is the swap ratio announcement because that is the legal process where the SEBI and other things are involved, so we are waiting for that. As soon as we get go ahead for that, so once that is done, other things we are in good control. I think that should not be a problem.

**Moderator:** Thank you. Ladies and gentlemen, due to time constraint, that will be last question for today. I now hand the conference over to the management for their closing comments. Thank you and over to you.

**Rajkiran Rai G:** Thank you very much. Thank you to the community who are the analysts and the investors, the way you participate, and we also tried to transparently provide the information. So, this quarter if you look at it, even if you take the one-off transactions of Essar, I think the bank has done very well, the operating efficiency are very steady like the growth projections and other efficiencies are as planned. So, as we go forward, we are looking at further consolidating the gains, so thank you for all your cooperation. So, hopefully the merger process also should not disrupt the efficiencies what we have already built, so we are planning accordingly. So, like may be as we get certain clearances, we come out more transparently on those dates and other things. Till then, good bye and thank you.

**Moderator:** Thank you very much. Ladies and gentlemen, on behalf of Elara Securities Private Limited that concludes today's call. Thank you for joining us and you may now disconnect your lines.