Indian Bank Q4 FY'24 Results
Post Earnings Conference Call / Meet
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Transcript

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Moderator:

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Anand Dama (Host – Emkay Global): Welcome everyone to Indian Bank Results Con Call for Fourth Quarter 2024, hosted by Emkay Global. From Indian Bank management, we have MD & CEO, Shri S. L. Jain, and Executive Directors, Shri Mahesh Kumar Bajaj, Shri Ashutosh Choudhary, Shri Shiv Bajrang Singh and Shri Brajesh Kumar Singh.

We would request the MD Sir to brief us with the key highlights of the results and strategic direction, particularly in terms of growth, margins and asset quality. Post that, we will take up the Q&A from the participants.

Over to you, Sir.

Shri S. L. Jain, MD & CEO: So good evening. Warm welcome to all the analysts and investors in the post Result Conference Call of Indian Bank. Today, we declared our Q4 and FY '24 Results. So, I will just touch about the brief on the financial performance. Our business has grown by 12% and Deposits have grown by 11% and credit has grown by 13%. In the deposit, CA has grown by 8%, the saving deposit has grown by 7% and Bank could maintain the domestic CASA Ratio above 42%.

As far as credit is concerned, we have grown by 13%. Under the credit, the RAM credit has grown by 14% and as a result, our RAM advance to total advance have improved from 61% to 62%.Under the RAM, the Retail Credit has grown by 15% and under the retail, housing loan growth is 11% and our auto loan growth is around 49%. Personal loan growth is at 10%.

In Agriculture, we have grown by 19% and this 19% growth is basically crop loan growth. In the crop loan, we are having around 78% of the crop loan as a gold loan, which is growing around 27%. So other than the gold loan, balances are coming down.

Investment credit has grown by 10%. Agri Allied by 62%. Here, major is SHG, which is growing around 37%. MSME has grown by 6%. But you see the standard MSME, it has grown by around 10%. Corporate Credit has grown by 10%. So you see, quarter on quarter basis, we are growing in equal proportions in all sectors, whether Retail, Agri, MSME, and maintaining our RAM to total credit around 61% to 62%. This is the business side.

As far as our profitability side is concerned, you see our financial year '24 Results as well as the quarter. So our Net Profit for FY '24 has grown by 53% and you see, PBT, Profit Before Tax, has grown by 85% and this growth is basically growth in NII, which has grown by 15% and non-interest income, too, has grown by 10%.

Under the non interest income, basically, Trading Profit has grown by 127%, Fee based income has grown by 11%, PSLC commission has grown by 37%, and miscellaneous income has grown by 27%. So NII growth and non interest growth is the main reason for our growth.

In the expenditure side, what we have done, there is an increase in expenditure, mainly under the head salary, which has increased by 23%. What we have done here, because of the wage revision provision, there is an incremental provision on retirement benefits, we have provided for ex-gratia of pensioner for entire four or five years in the current quarters, and therefore, there is a slightly increase.

Slight increase in overhead is because of our expenditure on digitization. So, this year, as a whole, Net Profit has grown by 53%. If you see quarter on quarter also, our Net Profit has grown by 55%. You see quarter on quarter, up to December also, we have grown by 52%-53%. Growth is happening in quarter on quarter basis in the Bank.

So NII in the quarter has grown by again 9% and non interest income has grown by 13%. Here also, the non interest income growth is basically Trading Profit, Fee Income, Forex Income and PSLC commission. So, you see all our income streams are giving us a good profitability.

And you see that here, PBT has grown by 111%. You see last year, we were carrying forward the losses of erstwhile Allahabad Bank. Now in this current year, entire amount is taxable, so the tax rate is coming around 26% or so, on a quarter on quarter basis, on a year on year basis. So, this is about our profitability.

You see our Gross and Net NPA has come down. You see, we started our journey on amalgamation from 1st April 20, when the Gross NPA was 11.39%, First Year 9.85%, Second year 8.47%, third year 5.95%, and Fourth year, we are at 3.95%. So in the whole year, our Gross NPA has come down by 2%.

Likewise, you see on a quarter on quarter basis, our Gross NPAs are coming around 50 bps, plus/minus, so as a result, in the whole year, it is around 2%. Likewise, our Net NPA is also coming down, we started our journey from 4.19%.

Today, we are at 0.43%, our provision coverage ratio has improved to 95% to 96%.

That is about our asset quality and one more thing is that you see our SMA number, SMA number has come down significantly, it is now around 0.48% and the slippage is Rs.1,200 crore, There was no slippage in the corporate book. Rather, we have recovered in the corporate, and the slippage of Rs.1,200 crore is coming mainly from the MSME, Rs.600 crore, of around Rs.140 odd crores is from the restructuring, and around Rs.500 crore is from the Agri, that includes KCC and the other Agri and SHG and around Rs.100 crore is in Retail, mainly because of Housing and Education. So, Asset quality is under control.

Now coming to the capital side, our Capital Adequacy is 16.44%. You see, from year on year, it was 16.49% to 16.44%. Around a 60 bps reduction is in Tier 2 because we have paid the subordinated bond because we are having good Capital Adequacy Ratio. If you see our Tier 1 and CET, there is a growth. Of course, we have raised the capital by Rs.4,000 crore, having impact of 100 bps, but there is an impact of 57 bps because of the RBI guidelines.

So, considering this, our increase in capital adequacy is more than this over 31st March, '23, and this shows that our generations are adequate to take care of our 12% or 13% credit growth, where we can protect our capital adequacy and grow and because of the QIP, our shareholding has come down from 79% to close to 74%.

So that recovery, we told that we will be having a recovery of Rs.8,000 crore in the whole year, against Rs.8,000 crore, we have recovered Rs.8,800 crore, so Rs.800 crore more and our story of recovery more than the slippage is continuing. This year also, slippage of Rs.6,700 crore, recovery was Rs.8,800 crore. Last year also, the recovery was Rs.8,500 crore and slippage was around Rs.7,000 crore. So, you also see on a quarter on quarter basis, our recovery is more than our slippage.

We have recovered around Rs.2,858 crore from the AUC book. What happens, whereas in the P&L, it is coming less amount than this amount because what happens when you sell to NARCL or other, you get a 15% cash and 85% in the shape of SR and all. So as per the guidelines, this provision which we are having on SR we are not reversing and as and when the money is collected for SR, we will credit in the P&L account, so this will be a profit for our future.

Now, slightly, what provision we have made for standard asset because on the basis on the portfolios. As far as NARCL is concerned, so we have transferred around six account having book balance of Rs.3,000 crore. 4 bids are under process, and on the four accounts we have received the bid, and in the five account, it is under process.

The COVID, as far as COVID restructuring is concerned, it is now outstanding, which we started from Rs.18,000 crore today, Rs.8,000 crore, which is 1.68% of the book, which was around a 4.5% book and we are having around 27% provision there against.

In FI side also, our market share is increasing both in PMJDY, JJBY, SBY, APY, and all and we are doing number of things under digitization. So I request my colleague, Mr. Bajaj, to briefly discuss about the digital journey and then we will open for Q&A.

Shri Mahesh Kumar Bajaj, Executive Director: Thank you, Sir. Good Evening, dear analysts and investors. As far as Indian Bank is concerned, digital transformation journey continues. Our transaction on the digital channels, now 89% as on Q4 for financial year '24, as against 85% in the corresponding quarter, financial year '23, 4% improvement and we have totally launched 78 digital journeys out of which, 34 digital lending journeys and 19 other digital process portals were launched during the financial year 2024**.**

Our total digital business increased more than 14x from Rs.5,640 crore to Rs.81,250 crore during the financial year '24 and we are planning during this financial year, 27 digital journeys, out of that, 10 digital journeys, we are planning in the Q1 of 2024-25. Bank has been coming out with various digital initiatives and enablers like e-OTS, digital lending platform, tab banking, EBG, e-locker, middleware, APIs, branch server centralization, debt claim portals, settlement portal, document and record management system.

Apart from that, we have created fintech partnership -- government and fintech partnership for the purpose of the CASA. We are providing various solutions to our government departments as well as the institution like SNS solution, API banking, and mobile app for apartments and societies, DBT platform, solution to Municipal Corporation, solution for religious institution, cess collection portal, e-governance solution, dynamic UPI QR code, web-based GPF solution.

Apart from that, bank is having various key projects which are under implementation like Omni channel app which are going to come shortly on the retail as well as MSE and corporate bank, the customers on the internet banking as well as mobile banking, CMS and cloud migration on the private cloud as well as hybrid, data analytic models, CRM solution, CBDC we have already started.

The GenAI, some of the use cases we have already started after tie up with RBI as well as our own team. Next-gen call center and four-way data center also banking starting because we'll have a DC, near DC, DR, near DR for zero loss data. Bank is committed in adding various digital journeys, products and processes and portal for ease of doing business and better customer experience.

Thank you very much.

Shri S. L. Jain, MD & CEO: And one point I forgot to tell you about the margin, we saw the margin but so at the beginning of the year, we said that our margin will be 3.41%, plus/minus 10 bps to 15 bps. As against 3.41% domestic margin is 3.54% in the year as a whole and you see in the last quarter, it was 3.52% improved from 3.49%. So this is because of two or three reason, there is an increase in the yield on advances as well as yield on investment.

Now, we are open for questions.

Anand Dama, Analyst: Thank you. Thank you for the highlights. So before we open up the floor for Q&A, I have one question which is like pertaining to the recent RBI guidelines, particularly where basically RBI has said that banks need to provide 5% as a standard asset provision on the project finance exposures. So first, like how much is our project finance exposure and what is your view on these guidelines?

Shri S. L. Jain, MD & CEO: Well, these are basically the draft guideline, first point and the draft guideline, they are asking comments, and we will also be sending our comments and in the guideline, what they have done is one is a construction phase and operations phase.

In the construction phase, the provisioning requirement is high and when the DCCO is achieved, it will come down, and when the 20% payment will come, it will come down further. This is the crux of the guideline and when the DCCO has increased, and if there is a default, then 7th June circular will be applicable. This is the crux of the guideline. The point is that impact on Indian Bank. First, I would like to tell you that over 60% to 63% is our RAM. We are not a corporate bank. Remaining 37% is our corporate book, right? And even you see if you grow 10%, 11%, so over Rs.18,000 crores, Rs.20,000 crores of a corporate book. So, all are not in projects.

So very small amount will be on, from our perspective, will be under the project, under construction, very small amount. And the completion and 20%, of course, will be up 1% at the end of the day, as against 0.4% of the existing guideline. So of course, this, we will further examine here also, and even we will discuss in the IBA as well, what is the impact on that. So it is too early to say about the impact and everything. But not a big impact, because we are not a corporate bank.

Anand Dama, Analyst: Sir, but I mean, can you just repeat, basically, what is the overall project finance exposure that we have on the book?

Shri S. L. Jain, MD & CEO: That, I'll tell you, right**?**

Anand Dama, Analyst: Sure. And Sir, do you believe that this 5% standard asset provisioning is too high a provision to ask for, just based on the construction phase, this could actually derail the entire project financing cycle and the Capex funding cycle that we are all talking about?

Shri S. L. Jain, MD & CEO : So this is a draft guidelines, We will submit our comments. We will submit our comments, right? And you see, for a construction project, you also give this loan over a period of two or three years. Suppose it is a road project, it takes two or three years. So slightly, slightly, you disburse. You don't disburse an entire amount on first day. So we will discuss, Sir.

Anand Dama, Analyst: Sure Sir, we will discuss. Now, we will open up the floor for Q&A. Any participant, if you have a question, you can use the raise hand option and ask a question. First question, we have from Mr.Ashok Ajmera. Mr.Ajmera, please unmute yourself.

Ashok Ajmera, Analyst: Thank you for giving me the opportunity first. Good evening, Sir, Jain Sir, and the entire team. And congratulations for another good quarter and a year of the fantastic results by Indian Bank, where on all the parameters, the Bank has improved its performance. Having said that, Sir, I will take this point from Anand's point only, a little bit to have a little more clarity on this RBI circular, that your exposure to ports and road is Rs.8,696 crore, other infra is

Rs.30,552 crores, and CRE is Rs.17,989 crores**.** So altogether, it is around, I think, Rs.60,000 crore, Rs.65,000 crore of total exposure on this. So roughly, how much is basically under implementation, which will come under the higher provision as per this circular, because this will be on existing as well as on incremental.

Shri S. L. Jain, MD & CEO: Entire exposure is not on project under implementation, right? We are having exposure in the shape of working capital also. We are, on an ongoing basis also, we are giving loans to them, right? So entire is not a project under implementation. This circular is basically project under implementation, right? So basically, even in the road projects also, we are in the business from so many years. So 20% money has already come. Then where is the question of this additional provisioning?

So in case of a new project, which we might have given in last two or three years, that will have a major impact. Otherwise, the projects are already completed. And you see, projects are already completed and there is hardly any SMA. So projects are running that way good.

Ashok Ajmera, Analyst: Okay, Sir. I mean, as the time passes

Shri S. L. Jain, MD & CEO: We will examine in detail

Ashok Ajmera, Analyst: Yes.

Shri S. L. Jain, MD & CEO: We will examine in detail, and then we will come out with the numbers**.**

Ashok Ajmera, Analyst: Yes, Sir. Point well taken.

Shri S. L. Jain, MD & CEO: Because each and every project has to be assessed**.**

Ashok Ajmera, Analyst: Yes, Sir. Sir, I have just a point of information. In note number 10, it says that you have formed a new subsidiary Indbank Global Support Services, which is on 9th of February, 2024. So, Sir, what is the idea behind forming this subsidiary? How much capital the Bank has invested? And what benefit the bank is expecting to draw from this subsidiary?

Shri S. L. Jain, MD & CEO: So, we have started this operational subsidiary with a capital of Rs.10 crore. What this subsidiary will do, they will back office operations for us. You see the way the SBI has formed, the way the Bank of Baroda has, the BGSS. This company also will be doing a number of activities for us, for suppose a collection support, then the operations part, even check issuance, or even you can say, not as a checker, they will do a number of activities where we will save a huge cost and increase our TAT. So this company has started even the working from 1st of March. So first, we have put them on a collection, and also for giving us a lead for saving and current account opening and all.

Ashok Ajmera, Analyst: The existing staff only has gone to the subsidiary of the bank, or it has hired fresh people?

Shri S. L. Jain, MD & CEO: No. We have recruited the people from the market and the subsidiary is recruiting the people from the market, not from our bank.

Ashok Ajmera, Analyst: I think that must be the main idea to recruit the talent from outside and get the work done.

Shri S. L. Jain, MD & CEO: Right.

Ashok Ajmera, Analyst: Sir, my second point is, Sir, on the advances credit growth. Now, okay, we have been going in 12%, 13% range. But at this level now, when so much things are happening in the country, and even some of the bigger banks are also coming in the range of 14%, 15%, 16%. Some smaller banks are still at 18%, 20%. Number one is that, why can't we -- I mean, can we not think of revising this target for the future at least to 14%, 15%, the way the things are happening?

And secondly, on SME front, we are on record as 6% only growth. You are saying that if you take it on standard asset, then it is 10%. But still, are we not comfortable with the way the SME's workings are there or the credits going to the SMEs? That we cannot think of increasing our loan book to the SMEs, Sir?

Shri S. L. Jain, MD & CEO: Okay, Sir. You see our credit growth is 13%. You see our gross NPA has come down from 5.95% to 3.95%. So if our standard growth is 15%, which is nearly in line with the industry, 15%, 16% or so. The same story in -- but we are very cautious in MSME because you see our more NPAs are in MSME. Corporate, hardly there is any NPA with us.

So slowly, slowly, we are growing. But we are growing digitally also because we have started two, three things. Based on the cash flow, we have started giving loan. The pre-approved business loan, we started. Based on the GST return, we started. Based on the cluster-based financing, we started. So security based lending, we have started. So, we are going in a very secure way there. Otherwise, our credit growth is 13% to 15%, Sir.

Ashok Ajmera, Analyst: All right, Sir. Sir, if you look at the external rating Slide 11 of 48, BB and below, in the corporate book, there is more than Rs.100 crore corporate book. There is an outstanding of Rs.11,275 crore. These are rated BB or below. And at the same time, a slight increase is also there from Rs.9,008 crore to Rs.11,275 crore at the end of '24 as compared to '23.

So what kind of these corporates which are rated below BB and not the government or state government and still more than Rs.100 crore? How many such corporates are there? And what is the asset quality of these corporates against this credit, Sir?

Shri S. L. Jain, MD & CEO: Basically, what happens under this bracket, basically, three, four type of exposures are there. One is basically LRD exposures, where we are not getting rating, but the cash flow is being protected, first point. So because you see our LRD exposure has increased, you see, just prior to that, Rs.13,000 crore becomes Rs.17,000 crore, right? So Rs.4,000 crore, just you see slide number 10, and then you compare with slide number 11. So the one is an LRD exposure.

Second kind of exposure here is basically here in the hospital or educational institutions and all, where we are having the cash flow. So these are two or three major areas where we are increasing our exposure where the cash flow is protected, Sir.

Ashok Ajmera, Analyst: Good, Sir. My last, last question, Sir, on the investment in this round of discussion is on the investment book. Our AFS book, we were told, we had increased the duration, modified duration from 1.98 to 2.75 and we were of the view that -- I mean, the bank was of the view that with the interest rates a little bit softening up, we will make a little more profit on AFS and still the modified duration is 2.72 of the AFS book. So what are the views of our treasury going forward on -- what do you see like in the coming quarters? How much -- how do we make the profit from this book, Sir?

Shri S. L. Jain, MD & CEO: Okay. So I am telling you, we have done a number of things in that, in the treasury side, Sir. First is our investment has grown by 14%. So Rs.1,88,000 crore to Rs.2,14,000 crore or Rs.26,000 crore of growth, right? This is the first point. So because we were knowing that the interest rate will come down, so we have made a huge investment at a good rate, even much higher than the current rate.

And you see holding yield, you see our investment yield has increased. In fact, today, my holding yield for AFS book is 7.28% and the HTM book is 7.06%. Virtually, my yield on total investment portfolio is 7.17%. You see, my last year, my yield on investment was 6.80%, and today, it is 7.17%. So you see 37 bps higher on a Rs.2 lakh crore book, what kind of interest, more interest we will have in the next few years to come. And we have increased our duration. So first is that it will give us a better interest income in the time to come. And we also know that the interest rate will come down --

Ashok Ajmera, Analyst : Sorry to interrupt you, Sir, but this yield on investment in one of the slide, I think, if quarter on quarter is 6.88% and here 6.80%.

Shri S. L. Jain, MD & CEO: So 6.88% is a quarter number, Sir. 6.88% is a quarter number. We have done a churning in the last quarter as well and as a result, what happens is new guideline -- we move to the new guidelines, right? So the new guidelines are different than the earlier guidelines because now you cannot have a yearly churning, which we used to do in the old guidelines, right?

So what we have done, the 6.80%, in fact, holding yield is 7.17%, Sir. So this is because of churning and this will give a better interest income to us in the time to come. Besides this, if the market is favorable, which we think that after third quarter -- after second quarter, third and fourth quarter we will have good opportunities. So this will give us an income as well residual profit on the interest income. So that way we have built this book, Sir.

Ashok Ajmera, Analyst: Okay, Sir. Thank you very much, Sir and all the very best. And I will come back again if time permits, Sir. Thank you.

Shri S. L. Jain, MD & CEO: Thank you. Thank you, Sir. But you are clear, Sir, what is our thinking in that.

Anand Dama, Analyst: Next question, we will move on to Mona. Mona, please unmute yourself.

Khetan, Analyst : Yes, Hi, Good evening, Sir. My first question is on the recovery from written-off book. So this year, if I look at the full year, you recovered about Rs.1,900 crore. If I have to understand the mix of various recovery channels, OTS and CLT, et cetera, could you give some sense?

Shri S. L. Jain, MD & CEO: Okay, just I want to tell you two, three things in recovery basically. So one is a slide number 16, right that talks about the P&L.

Mona Khetan, Analyst: Right.

Shri S. L. Jain, MD & CEO: And slide number 29, which talks about the movement of NPA, right?

Mona Khetan, Analyst: Right.

Shri S. L. Jain, MD & CEO: So in slide number 29, you see the AUC recovery is Rs.2,858 crore. So, around Rs.2,858 crore. I have booked up Rs.1,800 crore in P&L. So close to Rs.1,000 crore is an amount, which is a SR or OCD, we will book an income as and when it will come. So this is an income for the next few years**.**

Now, second point is the recovery. From where we are having recovery? So recovery, basically, we are having recoveryfrom NCLT. You see the NCLT recovery in '23-'24 is Rs.1,817 crore, as against the last year recovery of Rs.1,029 crore. So the Rs.800 crore more recovery from the NCLT in '23-'24 as against '22-'23.

The compromise recovery is Rs.1,505 crores. The sale to ARC is Rs.464 crore. Sale through SARFAESI is Rs.861 crore. And other case recovery is Rs.3,072 crore and upgradation is Rs.1,078 crore. All put together is Rs.8,798 crore.

Mona Khetan, Analyst: Got it.

Shri S. L. Jain, MD & CEO: Here, you see, every quarter, we are recovering more than Rs.2,000 crore.

Mona Khetan, Analyst: Okay, got it. Secondly, if I have to look at the employee expense, so does this also include the impact of pension provisions this quarter and how much would that be?

Shri S. L. Jain, MD & CEO: No, what happens this quarter, our total staff expense is Rs.2,633 crore, right?

Mona Khetan, Analyst: Right**.**

Shri S. L. Jain, MD & CEO: Of this Rs.1,015 crore is the employee benefits. Out of this Rs.1,015 crore, Rs.388 crore, this is one item, which is basically a provision we have made for ex-gratia payments to be made to the pensioner for next four or five years.

Mona Khetan, Analyst: Okay. So -- got it. So if I have to understand the employee expense run rate going forward, what would that be next yearfrom a quarterly perspective?

Shri S. L. Jain, MD & CEO: What we think that, you see, the expenditures, salary is Rs.6,400 crores, and employee benefit is Rs.2,800 crores. So put together, it's Rs.9,200 crores is our expenditure for the year '23-'24, right? Considering the current salary bill and the AS-15, this amount can be close to Rs.9,000 crores.

Mona Khetan, Analyst: Okay, from a full year perspective.

Shri S. L. Jain, MD & CEO : Full year perspective.

Mona Khetan, Analyst: Okay. And also, finally, on the outstanding standard provisions, how much would that be for us?

Shri S. L. Jain, MD & CEO: Outstanding standard asset provision, we are having close to Rs.7,900 some odd crore.

Mona Khetan, Analyst: Okay, and this includes restructured provisions as well?

Shri S. L. Jain, MD & CEO : This includes all provisions**.**

Mona Khetan, Analyst: Okay, okay. And just finally, what would be the guidance on margins?

Shri S. L. Jain, MD & CEO: So you see, what we have told you that 3.41% will be the margin, we have ended with a 3.54%. Now we are seeing that we are in a very tight liquidity market, right? In a tight liquidity market, naturally, the interest rates are slightly higher. And even the CASA growth in line with the total deposit growth may not be there, though our endeavor will be to maintain our CASA more than 40%. So -- and some lag effect of the deposit will also be there going forward. In the current situation, as against 3.54%, our margin can be in the range of 3.4% to 3.5% with, of course, a 10 bps to 15 bps here and there.

Mona Khetan, Analyst: Okay. So it may come down by 5 to 10 bps, let's say**.**

Shri S. L. Jain, MD & CEO: But you see, last time also, we had given a guidance of 3.41%, and we ended with 3.54%.

Mona Khetan, Analyst: Correct. Got it. Got it, Sir. Thank you so much. I will come back in the queue.

Anand Dama, Analyst: Yes, thank you, Mona. Next question we will take from Nishant Shah. Nishant, please unmute yourself.

Nishant Shah, Analyst: Hello. Hi, Sir. Congratulations on the good results. It's really remarkable. Sir, just coming back to this RBI project implement, like, project circular. So you mentioned in your opening remarks that it's probably a little too early for you to kind of give any comments. But just even if you can qualitatively answer, like thought process-wise, like the spread on some of these project loans will be 2%, 3%. So mathematically, how does it work out if you have to kind of provide 5% upfront in year one, two, three?

It's like you almost operate at a negative ROA for like first two, three years. So is the current kind of format of this circular probably going to see light of day, or if you can just kind of give your thoughts around like how this changes, if at all it changes?

Shri S. L. Jain, MD & CEO: First, we have to further examine this circular. But the plain reading, the 5% margin, we are not having. This is correct because no bank is having a margin of 5%. But what the circular says that you have to build in 2% and then 3.5% and then the 5%. And by the time what will happen, some of the projects under construction will -- this year, will achieve and will convert into operational and the requirement of them will come.

So, this is an ongoing process and after that some 20% will come, some provision will release, some provision will come. This is a cycle it will happen. So slowly, slowly, may be after and therefore, they have given a time also up to '27 to build up these provisions.

But if you read straight 5%, it appears to be high side, but they have given a timeline. And then this is only a draft that we will submit our views also.

Nishant Shah, Analyst: Correct, Sir. Sir, I understand about the back book, you will get time to kind of like build up provisions of the existing loans. But like, on a go-forward basis, incrementally, say, tomorrow, some large corporate comes to you for like setting up a port project or whatever else. Like, how do you, is there enough pricing power to go and tell an NTPC or an Adani or someone like that to say, hey, like, I'm going to charge you 5% more because I have to provide 5% more upfront.

Like, because incrementally, you don't get that leeway, right, of spreading that provision over three years.

Shri S. L. Jain, MD & CEO: It's very difficult to get 5% in the competitive environment. It is very difficult to get 5%. But some margin we can always load. The way you see, the way the RBI circular came for NBFCs and all. So some increase we have made in our NBFC pricing. And this will be a new normal.

Nishant Shah, Analyst: Correct, Sir. Okay, fair enough. And even if you have a ballpark number, sometime during the call, if you can share about, like, what would be roughly the projects which are currently under implementation. That would be really helpful, Sir.

Shri S. L. Jain, MD & CEO: Okay.

Nishant Shah, Analyst: Yes, thank you. That's it for me. Thank you so much, Sir.

Anand Dama, Analyst: Yes. Thank you, Nishant. Next question, we will take from next question we will take from Mr. Ketan Athavale. Ketan, please unmute yourself.

Ketan Athavale, Analyst: Hello, Sir. Thank you for the opportunity. I just wanted to know your credit cost outlook for FY '25 and FY '26.

Shri S. L. Jain, MD & CEO: So the credit cost, you see, has come down substantially. Our credit cost is basically 0.7% or so, right? Now the net NPA itself has come down to 0.43%, so it will come down further, Sir. You see, credit costs are continuously coming down. And we are hardly any SMA 1 and 2.

Anand Dama, Analyst: Ketan, are you done?

Shri S. L. Jain, MD & CEO: Am I clear, Sir?

Ketan Athavale: Yes. Can you just provide some guidance? That would be very helpful**.**

Shri S. L. Jain, MD & CEO: In terms of exact number?

Ketan Athavale: Yeah, or a ballpark range will also do.

Shri S. L. Jain, MD & CEO: No, you see, the 0.77% is a credit cost for the year, when my beginning net NPA was 0.9%. Now, my beginning net NPA is 0.43%. So naturally, it will come down.

Ketan Athavale, Analyst: Okay. Thank you. That's it from me.

Anand Dama, Analyst: Yeah. Thank you, Ketan. Next question, we'll take from Rakesh Kumar. Rakesh, please unmute yourself.

Rakesh Kumar, Analyst: Hi. Thanks, Sir. So just firstly, Sir, on the liquidity front, what we're holding in the book. So we are continuously having investment deposit ratio on the NDTL close to around 29.5%, 30% kind of a number. So what is our thought process onthat? Like, would we be able to use some of the liquidity in the next financial year?

Shri S. L. Jain, MD & CEO: Well, right, you see, the last year, you see, in absolute terms also, you see our deposit has grown by, say, Rs.67,000crore. And our credit has grown by Rs.60,000 crore. So around an incremental CD ratio of 90% in '23-'24. We are sitting at a CD ratio of 77%, 78%, right?

Going forward, we would like to plan in a similar way. As far as liquidity is concerned, we are having around Rs.44,000 crore of excess. SLR as on date also. So what happens, some of the money we will utilize for credit, sincewe will be getting more return under the credit?

And one more point is that liquidity is available. Issue is that at what price you are taking. So, we don't want to be outlier in the price and take money, and then it will impact our NII and all. So, you see, we will be able to maintain our margins, NII growth, and everything.

So, we will be growing in a much planned way. But like to maintain our CASA 40%-plus. So, our average deposit costwill come down. And at the same time, on the credit side also, we want to grow retail, agri, MSME, corporate, equal proportions or so. So better yield and better margin.

Rakesh Kumar, Analyst: The HTM book that we have, would that all in the money? There would be some loss in the HTM book at the currentyield?

Shri S. L. Jain, MD & CEO: No, you see that I told you that my HTM yield is 7.06%. HTM is not required to make provisions and all. 7.06% we arehaving.

Rakesh Kumar, Analyst: No, I'm just thinking from the point of view that to what extent we can liquidate that SLR and use that into the CDR. So, from that perspective, I was trying to understand that what the position on the HTM book is. So, are we in the money orout of the money in the HTM book?

Shri S. L. Jain, MD & CEO: No, no, no. HTM, we are having good AFS book as well. In the new guideline also, we created good AFS book and HFT book. Even in the HFT or FVTPL, our holding yield put together is basically 8.61%. So that good book, HFT andAFS, the opportunities are there. And if the need arises, we'll always square it up and use it for credit.

Rakesh Kumar, Analyst: And Sir LCR, currently, the LCR would be March end, Sir, LCR?

Shri S. L. Jain, MD & CEO: LCR is around 130% to 133%.

Rakesh Kumar, Analyst: Okay. And Sir, this quarter, we have a lower credit yield on a calculated basis on our quarterly average balances. So, anyspecific reason for that lower credit yield this quarter?

Shri S. L. Jain, MD & CEO: No, but you see, our yield on advances have improved by 3 bps over the December quarter.

Rakesh Kumar, Analyst: Okay.

Shri S. L. Jain, MD & CEO: What happens, Sir, there are two play here. We are having 60% MCLR book and 30%-34% is the repo. The repo, thereis no change. Of course, we have increased our MCLR. And as a result, our yield has improved slightly**.** And that MCLR also, one-year MCLR will come for repricing after one year also.

Rakesh Kumar, Analyst: And Sir, have we reversed any excess provision on the loan sold to ARC close to around Rs.80 crore, Rs.85 crore this quarter?

Shri S. L. Jain, MD & CEO: No, because whatever money we have received cash, we have reversed up to that amount only. But the money which we received in the shape of SR or as OCD over NCD, as and when the money will come, we'll reverse.

Rakesh Kumar, Analyst: Actually, Sir, like, I was going through the -- this thing, your notes to accounts. So here, we have given in 18 that there is a total reversal of Rs.232 crore and Rs.149 crore was the reversal as on December end. So the residual amount we would we would have received or reversed this quarter?

Shri S. L. Jain, MD & CEO: No, this reversal is up to the extent of cash received.

Rakesh Kumar, Analyst: Correct. Okay. So we have not credited the P&L this quarter to that extent?

Shri S. L. Jain, MD & CEO: No, no, whatever money SR, SR as OCD and NCD we have received, it is basically as and when we will receive money. You see, this SR is guaranteed by the government, even in five years' period also. By the time NARC will sell the asset and will give money. So this money will come every year to us, rather every quarter to us, some money will come. And then we keep on reversing that part.

Anand Dama: Thank you, Rakesh. We will have to move on. Next question, we'll take from Dixit Doshi, please unmute yourself.

Dixit Doshi, Analyst: Yeah, can you hear me? Hello?

Shri S. L. Jain, MD & CEO: Yes, Sir, please.

Anand Dama, Analyst: Yeah, Dixit, we can hear you.

Dixit Doshi, Analyst: Yeah. Thanks for the opportunity. So couple -- one question and one clarification. So firstly, what kind of recoverytarget we have for next year? And how much is our return of pool as of today?

Shri S. L. Jain, MD & CEO: Two things, Sir. Written Off pool is around Rs.39,000 crore. So Rs.39,000 crore plus Rs.21,000 crore-Rs.22,000 crore, Rs.60,000 crore of NPA we are having virtually. Last time, we said that Rs.8,000 crore recovery and we end upwith the Rs.8,800 crore. This time also we are planning between Rs.7,000 crore to Rs.8,000 crore of recovery.

Dixit Doshi, Analyst: Okay. And so one question regarding the RBI guidelines on the project finance. So there was some section of the investors -- there were some confusion that whether this 5% provision is from the day one or if the DCCO extensionwill be availed, then only the 5% provision.

Shri S. L. Jain, MD & CEO: No, no, 5% provision is till the DCCO is achieved, right, construction phase. And I'm telling you, suppose we have given a loan, say sanction of loan of Rs.100, first year we can disburse Rs.20, next year Rs.30, Rs.40, then next yearremaining. So the provision will attract only on Rs.20, not on Rs.100. On the third year, it will, of course, attract the provision of Rs.100, and the fourth year, it will come back.

Dixit Doshi, Analyst: Okay. Okay. That's it from my side. Thank you**.**

Anand Dama, Analyst: Yes. Thank you, Dixit. Next question, we'll take from Jai Mudra. Jai, please unmute yourself.

Jai Mundra, Analyst: Yes. Hi, sir. Good evening. I have a couple of questions.

Shri S. L. Jain, MD & CEO: Yes, good evening.

Jai Mundra, Analyst: Sir, first is the corporate slippages are negative this quarter, right? So, is it fair to understand that there would be some slippages, but then you would have recovered slippages from the previous quarter, and hence, this quarter slippages are negative? I mean, why the fresh slippages are negative number?

Shri S. L. Jain, MD & CEO: First time you are saying negative number, no? This is the recovery, Sir, because you are on one side only.

Jai Mundra, Analyst: No, so I wanted to check, Sir. So let's say there was some slippages, but you recovered during the same quarter.

Shri S. L. Jain, MD & CEO: Yes, yes. Because we are doing on quarter-on-quarter basis.

Jai Mundra, Analyst: Okay**.** So this is -- the slippages number that we show is after inter-quarter recovery, right?

Shri S. L. Jain, MD & CEO: Here as a whole, naturally, your slippage will be less.

Jai Mundra, Analyst: Okay, understood. So that is one. And second, Sir, if I see our recovery number, total cash recovery number, which is Rs.2,017 crores this quarter and Rs.2,509 crores previous quarter, that number has changed, Sir. I mean,from previous, I think it was some lower number. It has been revised upward, the third quarter number. Any specific reason or how does this work, sir, because the previous number have also revised upwards. The third quarter, cash recovery.

Shri S. L. Jain, MD & CEO: I will come back. I'll come back to you. Same number, I think we have not changed. Why should we change? You see last presentation.

Jai Mundra, Analyst: Yes, in the last presentation, this number is lower, the total cash recovery.

Shri S. L. Jain, MD & CEO: You are talking about the December '23 quarter?

Jai Mundra, Analyst: Yes, Sir.

Shri S. L. Jain, MD & CEO: Okay, let me see the presentation of December '23. No, it is Rs.2,509 crores only, Sir.

Jai Mundra, Analyst: Okay. So, what I read is Rs.2,340 crores, but anyway, so that is

Shri S. L. Jain, MD & CEO: No. Your own calculation, you might have done it Rs.2,340 crores is just above.

Jai Mundra, Analyst: Okay.

Shri S. L. Jain, MD & CEO: Just below that Rs.2,509 crores, same number**.**

Jai Mundra, Analyst: Right, right. Okay. Understood. Understood. And Sir, this quarter, could you give us.

Shri S. L. Jain, MD & CEO: Yeah, yeah, yeah. Correction. Correction. Just a minute. It was Rs.2,340 crores, second is Rs.2,509 crores. Okay. Understood. But number is Rs.2,509 crores is final.

Jai Mundra, Analyst: Right. Okay. Okay. Understood. As in this quarter, out of Rs.898 crores of cash recovery and upgrade, if you can bifurcate what is the cash recovery and what is the upgrade.

Shri S. L. Jain, MD & CEO: So major part is basically what happens by the time you reach to the fourth quarter now, so your -- virtually your cash recovery is more.

Jai Mundra, Analyst: Right.

Shri S. L. Jain, MD & CEO: So major part is basically cash.

Jai Mundra, Analyst: Sir, a small question on personal loan, right? So, we had started this business and the portfolio is very small. Still the quarter-on-quarter number has declined, the outstanding number has declined. So anything to read into, are you seeing any advents or is there a change in the strategy in the personal loan business? Because from Rs.8,600 crores, it has now fallen to Rs.8,500 crores on a Q-o-Q basis. It was growing at a rapid pace**.**

Shri S. L. Jain, MD & CEO: What happens in personal loan, you get recovery also very fast because the quality of customer which we are lending, basically, those are existing customers, salaried customer, CIBIL score more than 730 or 750, majority are more than even 750 CIBIL score. So you get recovery also very fast. And period of loan is also very small**.**

Jai Mundra, Analyst: Okay. and lastly, Sir, this pension that you said Rs.388 crores that we have provided on ex-gratia. This is the same thing, right, that we had provided last quarter some 300 crores on the pension?

Shri S. L. Jain, MD & CEO: No. This is the first time we provided because a settlement was signed only in the last quarter. Not in December quarter.

Jai Mundra, Analyst: Okay. So this is a new, new clause in the settlement. Is that new?

Shri S. L. Jain, MD & CEO: Yeah. New clause that also we have fully provided.

Jai Mundra, Analyst: Right. All right, Sir. All right, Sir. And if you have the loan mix by benchmark, Sir, EBLR, MCLR, etc.

Shri S. L. Jain, MD & CEO: No, I'm telling you 60%, close to 60% is basically MCLR. And around 34% is basically repo. Rest is fixed or external benchmark, very small or base rate earlier on.

Jai Mundra, Analyst: And Sir, if you had highlighted this thing that out of this new investment norms we have, we are in the money in the sense that there is some accretion to the reserves, CFS reserves and general reserve. If you can quantify, Sir**,** how muchis the addition to CET 1 or Tier 1 basis the new investment norm as of April 1st?

Shri S. L. Jain, MD & CEO: No, that is basically what happens, you see the interest rate 10 years G-sec on 1st April was I think 7.06% or so, today itis around 7.16% or 7.17%, so based on the movement of G-sec prices, this reserve also plus and minus will happen, andit will directly happen in the reserve side.

Jai Mundra, Analyst: Okay. Yes Sir, thank you Sir.

Anand Dama, Analyst: Thank you Jai. Next question, we will take from Suraj Das, Suraj, please unmute yourself.

Suraj Das, Analyst: Hi Sir, thanks for the opportunity and congratulations on a good set of numbers, a couple of questions.

So, you have done really well on the corporate book this quarter in terms of growth. And if I see within that, probably the segments which have done well is the other infra, construction and commercial real estate, where more or less on a sequential basis, the growth has been something like 5% to 6%. So, just wanted to check, Sir, in terms of the other infra,what are the segments where probably this growth has come from, is it solar or is it anything other? And what is the general yield that you are charging here?

Shri S. L. Jain, MD & CEO: Other infra basically three, four major sector. The city gas, city gas is a new area where the construction is going on, thepipelines and all. Smart metering is another area where the new developments are taking. Data center is a new area where the developments are. Solar panel manufacturing and all. These are new areas, new and upcoming areas where we are giving loan and the margins here are slightly better.

Suraj Das, Analyst: So, in terms of blended interest rate here, it would be 11%, 12% or higher?

Shri S. L. Jain, MD & CEO: No, no, no, Sir 11%, 12 %, you will not get a good quality**.**

Suraj Das, Analyst: Okay.

Shri S. L. Jain, MD & CEO: You will not get a good quality customer.

Suraj Das, Analyst: Okay. So it'll be very low.

Shri S. L. Jain, MD & CEO: Competition intensity is very much

Suraj Das, Analyst: Okay and in terms of the construction and commercial real estate, I mean here if you can also highlight your strategyand probably what is the blended interest rate here?

Shri S. L. Jain, MD & CEO: So, what happens in commercial real estate also, there are huge opportunities? I am telling you that the way the E-commerce is happening in the country, there are the data repository requirements, and all have increased, everyday new data is created. So data center is a huge business opportunity for entrepreneur and for us to give LRD loan and all, right?

In office space also we are giving, even malls and all. Now, again, full. So there are opportunities there also. And in each city, the warehouse is in all -- huge opportunity, because now all these e-commerce companies are delivering goods in one day, even in six hours, 10 hours. So in each city, there are warehouses. So huge opportunity is there in theLRDs.

And the interest rate we are getting, because the cash flow is there. Cash flow is there, and the promoters are solid. Soslightly better interest rate than the one-year MCLR or near to one-year MCLR.

Suraj Das, Analyst: Right. Understood, Sir. And Sir, I mean, barring LRD, what would be the general moratorium period during theconstruction for all these project loans?

Shri S. L. Jain, MD & CEO: No, no, what we are not giving. We are not in the business of giving construction and then LRD. We are giving whenthe tenant is in place, money is coming. So you are assured that your cash flow is there. Then we are entering.

Suraj Das, Analyst: Okay. But for the other infra segment, I mean, generally there would be some construction phase, right, for this solar ordata center?

Shri S. L. Jain, MD & CEO: No, other infrastructure, all are very, very good companies. All are AA, AAA rated companies. And they have taken various districts in India, right? Various districts, so they are performing companies, good debt equity. So there we aregiving. Quality of credit is that way better. And rating is also better, even AA, or near that.

Suraj Das, Analyst: Sure, Sir. Okay, understood. And Sir, one last question in terms of Slide 29, more technical question in nature. If you canclear the difference between AUC recovery and the MOI recovery, I mean, what is the meaning of these two.

Shri S. L. Jain, MD & CEO: Yeah. What happens, MOI is an interest recovery, right? So interest recovery will go straight away to interest income. And other than MOI, it will go to a reduction in outstanding**.** Or if it is a return of account, it will go straight to incomeaccount.

Suraj Das, Analyst: Okay, so this Rs.184 crore also goes to the interest income line item**.**

Shri S. L. Jain, MD & CEO: Rs.184 crore has gone to the interest.

Suraj Das, Analyst: Okay. Understood, Sir. Thanks. Thanks so much, Sir.

Anand Dama, Analyst: Yeah, thank you, Suraj. We will take next question from Sushil. Mr Sushil Choksey, please unmute yourself.

Sushil Choksey, Analyst: Congratulations, Mr Jain, and management team of Indian Bank for excellent performance. Sir, in your tenure, if many more transformation have to happen or the transformation journey which you have started since you've joined, what arethe things which you would like to see that has rolled out? And where you see a maximum benefit for Indian Bank's future.

Shri S. L. Jain, MD & CEO: So, thank you, Mr Choksey, first your compliments. And I request Mr Bajaj to give that. I'll give you what is the impact on the bank**.**

Shri Mahesh Kumar Bajaj, Executive Director: So, in fact, when we go with these digital journeys, one side, we are improving our asset quality. Other side, the PAT is improved. So, during the last financial year, we did almost Rs.81,000 crore of business through this digital journey. And this year, we are again planning to cross more than Rs.1 lakh crore, which is monthly more than Rs.10,000 crore now run rate is there at present.

So apart from that, one more major project which we have taken out, that is on the new mobile app, that is Omni channel, which we are going to start very shortly. It will be, again, a super-app kind of thing, which is a similar experience on all channels of access, maybe a mobile app or internet banking. When a journey is started on one channel, it can be completed on another channel. So this will help us in reducing our operating costs and improving our asset quality. So, these are the one or two journeys with the projects which we have taken almost on the completion stage.

Apart from that, various other on the infrastructure, we have done the, now I was telling in my presentation, we are coming up with the near-dear site also. And on the infrastructure also, most of the fixed assets on that, maybe a laptop, desktop, the ATM, all those things we have changed during the last financial year, last two years. And a lot of changes have been brought in on the infrastructure in the cyber-SOC also, on the security front also. Almost Rs.300 crores spend is there on the cyber-SOC. And almost on the transmission itself, we are spending every year Rs.500 crore to Rs.600 crore. And going forward, it's going to be, we have committed more than Rs.700 crores to Rs.800 crores for the next three or four years, Sir.

Shri S. L. Jain, MD & CEO: So, Mr Choksey, I'll tell you that basically, what is bank? Bank is basically a talent, technology and a customer. On the talent side, how we are doing our business? First of all, the business itself, our large corporate branches takes care of about 76% of large corporate branch business. We are having 27 MCBs, which we have added. And five or seven more we are adding. So, this MCB is a business, Rs.25 crore to Rs.150 crore, where we are getting good margins. And the growth here is around 23%. But the LCB and MCB, you need good people who understand the credit, who can deliver.

So, what we have done, we have given the training in-house and outside to our people. First, we have recruited people in recruited people in all categories, whether it is a scale 1, 2, 3, 4, because not only our people, outside people also. We have recruited people from the market also to manage over this LCB and MCB business.

Now, third point is that other businesses, MSME business or retail business, there also, the knowledge, soft skills are required. So what we have done, we have given around 30,000 people training in the last year, 30,000 people. And we are giving training all our branch head, all our MAPC head, all our RAPC head. And time to time, we are having their meetings also, so they have positivity, they have energy, they have understanding of the business.

So that way, all these good engines are working. Likewise, even I'm telling you SHG is a good business for us. Even our MS, SHG, people are giving training to the other branch managers to have a SHG business in other part of the country, where the government is supporting even recovery of that. Our gold loan branches are giving training to the other branch managers to have a gold loan business, because this business we are doing from number of decades.

So for all kind of training, support, soft skill, leadership development, all kind of training we are giving, all kind of recruitment we are doing, even at the top level, we are recruiting from the market. This is talent side, but then everybody is being trained based on their area of interest right? And on that area of interest, they are giving posting also based on their area of interest. Likewise, in technology also, we are doing a number of things. In a core side also, we have done. Even today, our core, the capacity utilization is close to 60%. And we have a feature where we can increase any time. Only you have to servers are all in place, and we have to give pay license fees, and then we increase this number.

We have Middleware, we have started digital. The Omni-channel, we started. Digital lending, we started. CISO, we started. In the network side also, we have a number of things. All our branches are having 5 kbps through SD-WAN. Server centralization, we have done. DMS, we have done. Huge things we have done, and all is contributing to the growth of the bank, and it will continue to grow. And that's 78 journeys which we have done. I'm telling you, we are having Rs.80,000 crore of our business.

Sushil Choksey, Analyst: And Sir, paucity of time, I'll ask you a question added to this. Led by your transformation journey of digital banking and Indian Bank shared service, where do you see your cost to income and number of products which you will be able to sell to your customers over a period of the next one or two years?

Shri S. L. Jain, MD & CEO : So you see, our cost to income ratio was 45%. It was 44% last year. And in the current year, it is around 45%, because of the huge employee cost this time we have put on account of this. So, we would like to bring back this cost income ratio below 44% in the time to come. And that can happen only with your previous income and your better margins. Sowe are working on that. And you see, we are able to maintain 42% CASA. And what happened, even the liability side, also we have done segmentation. We have R&GR sale at various state capitals will open. Even resource acquisition center, we are planning to open around. So far, already opened around 75 centers. We want to slowly, slowly move to a 200 center where the money is. So, wherever money is there, we are there.

Sushil Choksey, Analyst: So, are you sensing large manufacturing business in Tamil Nadu and adjoining areas where Indian Bank has a large presence?

Shri S. L. Jain, MD & CEO: Yes. Indian Bank, we are having around 25% of balance sheet from Tamil Nadu now.

Sushil Choksey, Analyst: No, no, are you sensing large manufacturing opportunities?

Shri S. L. Jain, MD & CEO: Yes, opportunities are there. Large is also there. Mid is also there**.**

Sushil Choksey, Analyst: Okay.

Shri S. L. Jain, MD & CEO: That is why my mid corporate business has grown 23%.

Sushil Choksey, Analyst: Sir, I'll take further

Shri S. L. Jain, MD & CEO: Come again, please.

Sushil Choksey, Analyst: Sir, I said because of paucity of time, I'll take further questions offline with you.

Shri S. L. Jain, MD & CEO: Okay, no problem, Sir. No problem at all.

Anand Dama, Analyst: Thank you.

Shri S. L. Jain, MD & CEO: You know we started over our subsidiary as well, right**?**

Anand Dama, Analyst: Yes, thank you, Sushil. Yes, thank you, all the participants. Thank you, MD sir, for allowing us to host this call.

Sir, do you have any closing remarks to make? And in case, basically, you have any data on the project financing stuff, which one of the participants asked, you can share the same.

Shri S. L. Jain, MD & CEO: The project financing data, we have to see, actually. This is account by account, we have to see. So, it will take time, and then we're offline, I will tell you. But at the same time, we are

Ashok Ajmera, Analyst: Anand, can I Sir, can I come in just for

Shri S. L. Jain, MD & CEO: Yes, Mr Ajmera, no problem.

Anand Dama, Analyst: Sorry, Mr Ajmera, we have to close the call. Sorry for that.

Shri S. L. Jain, MD & CEO: Yes, Mr Ajmera, I can discuss with you, no problem, sir.

Ashok Ajmera, Analyst: Okay. All right, Sir.

Shri S. L. Jain, MD & CEO: Thank you, thank you, all analysts and investors for continuous interest in the bank and also guiding us. This all will go a long way for improvement in our business. Thank you.

Anand Dama, Analyst: Thank you, Sir. Thank you, all participants. With that, we will end the call. Thank you, guys. Have a great evening.