ICICI Bank Limited
Earnings Conference Call – Quarter ended September 30, 2011 (Q2-2012)

October 31, 2011

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All financial and other information in this call, other than financial and other information for specific subsidiaries where specifically mentioned, is on an unconsolidated basis for ICICI Bank Limited only unless specifically stated to be on a consolidated basis for ICICI Bank Limited and its subsidiaries. Please also refer to the statement of unconsolidated, consolidated and segmental results required by Indian regulations that has been filed with the stock exchanges in India where ICICI Bank's equity shares are listed and with the New York Stock Exchange and the US Securities and Exchange Commission, and is available on our website www.icicibank.com.

Note: The merger of erstwhile Bank of Rajasthan was effective from the close of business of August 12, 2010. The merger is thus reflected in full in the results for Q2-2012, but from August 13, 2010 in the results for Q2-2011.

Moderator Ladies and gentlemen, good evening and welcome to the ICICI Bank Q2 FY12 results conference call. As a reminder for the duration of this conference, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions at the end of today's presentation. If you should need assistance during the conference call, please signal an operator by pressing "*" and then "0" on your touchtone telephone. Please note that this conference is being recorded. At this time I would now like to hand the conference over to Mr. N. S. Kannan, Executive Director and CFO of ICICI Bank. Thank you and over to you sir.

N. S. Kannan Thank you. Good evening to all of you. Welcome to the conference call on financial results of ICICI Bank for the quarter ended September 30, 2011 which is Q2 of financial year 2012. As usual I would like to make my opening remarks in four parts. Good evening and welcome to the conference call on financial results of ICICI Bank for the quarter ended September 30, 2011 (Q2- 2012).

I would like to make my opening remarks in four parts:

Part 1: Macro-economic and monetary environment;

Part 2: Performance during the quarter; including our performance on our 5Cs strategy

Part 3: Consolidated results; and

Part 4: Outlook for the rest of the year.

Let me start with Part I on the macro economic and monetary environment.

Global economic conditions continue to remain weak with increased market volatility and risks. There has been moderation in global economic growth with increased concerns on sovereign health in the Eurozone.

In India, there are indications of a slowdown in economic activity. Growth in industrial production decelerated to 5.6% during April-August 2011 compared to 8.7% in April-August 2010. The purchasing manager's index in September 2011 declined to about 50. GDP growth estimates for fiscal 2012 have also been revised downwards by several agencies including the Reserve Bank of India which in its recent mid quarter review revised GDP growth estimates downwards from 8.0% to 7.6%. Corporate performance has also moderated with increased pressure on margins.

Inflation continued to remain above 9.00% levels for the tenth consecutive month in September 2011 at 9.72%. Though inflation in food articles has shown some moderation, fuel inflation accelerated during September 2011 to 14.1% from 12.8% in August 2011 primarily due to the petrol price hike effective mid-September 2011. Manufactured products inflation reached 7.69% in September 2011, with core inflation (that is manufactured products excluding food) at 7.55% compared to 7.77% in August 2011.

In line with inflationary trends, the Reserve Bank of India increased the repo rate by 75 basis points from 7.50% to 8.25% during Q2-2012. This takes the overall increase in repo rates to 350 basis points since when rate tightening began in March 2010. The cash reserve ratio and statutory liquidity ratio were maintained at 6.0% and 24.0% respectively during the quarter. In the mid-year monetary policy review announced on October 25, 2011, the RBI increased the repo rate by a further 25 basis points to 8.50%, and has indicated an end to the tightening cycle subject to expectations of easing in inflation from December 2011. With regards to movement in lending and deposit interest rates during the quarter, banks were seen increasing their rates in line with system trends. Banks increased their base rate by about 75 basis points during the quarter, while term deposit rates were increased by about 25-75 basis points.

System liquidity remained in deficit, though relatively better as compared to the earlier quarters. The average daily borrowing by banks from the RBI LAF window was at about ₹ 420 bn in Q2-2012 compared to about ₹ 480 bn in Q1-2012. Yields on government securities increased by 10 basis points during the quarter to around 8.4%. Interest rates on three month and six month market instruments like Commercial Papers and Certificate of deposits increased during the quarter. Overnight money market rates remained closer to the repo rate.

Equity markets were volatile through the quarter, mainly in reaction to global developments, such as the Eurozone debt crisis and weak economic data from the US, as well as domestic inflation and growth outlook. Foreign institutional investors turned net sellers from August 2011, with outflows of USD 1.89 billion during August-September 2011. In Q2-2012, FIIs invested around USD 245 million on a net basis. The benchmark BSE Sensex ended the quarter lower by 12.7% compared to the June 2011 closing.

Non-food credit growth remained moderate during Q2-2012 with year-on-year growth in the range of 18-20% through the quarter. However, there was a sharp increase in credit offtake in the last week of September 2011, resulting in non-food credit growing by 21.2% at September 30, 2011, compared to a growth of 21.3% at March 25, 2011 and 19.5% at July 1, 2011. However, year-on-year credit growth at October 7, 2011 declined to 19.1%. The year-on-year growth in deposits was 19.1% at September 30, 2011. However, demand deposits remained a challenge through the quarter, declining by 9.3% on a year-on-year basis at September 23, 2011. However, at September 30, 2011, demand deposits recorded a 7.2% year-on-year increase. Growth in term deposits remained flat at around 21.0% through the quarter. At October 7, 2011, total deposits increased by 17.4% on a year-on-year basis while demand deposits declined by 4.9%.

Part 2: ICICI Bank's performance during the quarter, including our performance on our 5Cs strategy

With this background, I now move to Part II on the performance of the Bank during the quarter. Let me begin with the progress on our 5Cs strategy:

- With respect to Credit growth: Total advances for the Bank increased by 20.5% on a year-on-year basis from ₹ 1.94 trillion at September 30, 2010 to ₹ 2.34 trillion at September 30, 2011. The growth was largely driven by domestic corporate loans which increased by 24.2% on a year-on-year basis. International lending continued to remain strong with net advances of overseas branches increasing by 37.3% on a year-on-year basis. There was some benefit of the depreciation of the rupee on the growth of the net advances of our overseas branches. Excluding this, the year-on-year growth would have been about 26%.

On a sequential basis, total advances increased by 6.0% driven by an increase in the international portfolio in overseas branches by 19.5% and a 8.4% increase in domestic corporate advances. Excluding the impact of the movement in exchange rate, the sequential increase in the international loan book of the overseas branches was about 9%. However, there was a slowdown in new sanctions during the quarter, due to a significant decline in new project announcements. The domestic retail book declined by 1.0% from ₹ 826.91 billion at June 30, 2011 to ₹ 818.73 billion at September 30, 2011, largely due to a decline in commercial business, auto loans and personal loans segments, even as the home loan book increased during the quarter.

- Moving on to CASA deposits: Mobilisation of CASA deposits was challenging given the rising interest rate environment. Despite this, the Bank's savings account deposits grew by ₹ 32.91 billion in Q2-2012 and the current account deposits grew by ₹ 32.20 billion. As a result, the overall CASA ratio for the Bank was 42.1% at September 30, 2011. However, the average CASA ratio for the Bank during Q2-2012 was lower at 38.3% as compared to 40.0% in Q1-2012
- On Costs: On a year-on-year basis, operating costs were higher by 23.5% primarily due to the increase in employee expenses. The average employee count increased from 48,360 during Q2-2011 to 59,995 during Q2-2012. In Q2-2012, the Bank's cost-to-asset ratio was 1.8% and the cost to income ratio was 44.4%.
- Let me move on to the next C on Credit quality: We saw a 50.2% decrease in provisions from ₹ 6.41 billion in Q2-2011 to ₹ 3.19 billion in Q2-2012. Credit costs as a percentage of average advances were 56 basis points in Q2-2012. During the quarter, our net additions to gross NPAs was ₹ 1.18 billion. This comprises slippages of ₹ 7.87 billion and recoveries and upgrades of ₹ 6.69 billion. We have also done write-offs of ₹ 0.64 billion during Q2-2012. The net NPA ratio declined to 0.80% at September 30, 2011 as compared to 0.91% at June 30, 2011. Our provisioning coverage ratio improved to 78.2% at September 30, 2011 compared to 76.9% at June 30, 2011. Our net restructured portfolio increased from ₹ 19.66 billion at June 30, 2011 to ₹ 25.01 billion at September 30, 2011, primarily on account of restructuring of loans to MFIs. In the context of credit quality,

given recent market concerns, I would like to briefly talk about the Bank's power sector exposure. Our power sector loans were 5.0% of our total loans at September 30, 2011 and the exposure, including undisbursed commitments and non-fund facilities was at 7% of the total exposure. Commissioned projects constitute about 50% of the exposure, with the remaining 50% projects being under implementation. Of the total power sector exposure about 30-35% is in the nature of working capital facilities. Of the project finance exposure, about 65% is covered by PPA. Of the total project finance facilities to the thermal power generation sector, about 45%-50% of the exposure is based on captive coal. The Bank's exposure and outstanding advances to the power sector would trend based on the timeline of commitment/syndication and ultimate hold portion of such cases. As per the Bank's sensitivity analysis, the average DSCR for the projects it would be participating in would be 1.54 and the average break even PLF would be at 61%. We look at projects being promoted by promoters with strong background and experience in implementing such large projects. The bulk of the projects go to the Board Credit Committee and the Credit Committee's due diligence is very high for each of these projects. We also assume lower coal linkages and the merchant power tariffs than market assumptions to assess project viability. We have not been seeing any asset quality pressures with respect to our portfolio and will continue to monitor the developments in this sector closely.

- Customer centricity: The Bank continues to focus on enhancing its customer service capability and leveraging on its increased branch network to cater to our customer base. As a reflection of the focus on customer service, the Bank was voted as the most trusted brand among private sector banks in the Economic Times-Brand Equity survey for 2011. In addition the Bank has also been ranked as tenth in the list of top 50 service brands in the country. The Bank continues to take steps to provide increased functionality to its customers through various technology channels such as ATMs and mobile banking.

Having talked about the progress on 5Cs, let me move on to the key financial performance highlights for the quarter.

Net interest income increased 13.7% year-on-year from ₹ 22.04 billion in Q2-2011 to ₹ 25.06 billion in Q2-2012. The net interest margin remained stable at 2.61% in Q2-2012 as the increase in yield on advances and investments offset the increase in the cost of funds relative to Q2-2011. On a sequential basis, the net interest margin remained stable. The NIM on domestic business was about 2.92% while international NIM increased to about 1.09%. We expect the international margins to improve to about 120 basis points by the end of the year.

Fee income grew by 6.9% on a year-on-year from ₹ 15.90 billion in Q2-2011 to ₹ 17.00 billion in Q2-2012. The slowdown in growth in fee income was primarily on account of corporate banking fee income which continues to be impacted by the slowdown in new projects/financial closures. During Q2-2012, there was continued momentum in granular fee income streams such as forex & derivative fees, transaction banking fees and remittance fees. The Bank will continue to focus on these revenue streams going forward.

I have already spoken about the trends in operating expenses and provisions while speaking about the 5Cs strategy.

As a result of the above the Bank's standalone profit increased by 21.6% from ₹ 12.36 billion in Q2-2011 to ₹ 15.03 billion in Q2-2012.

I now move on to the consolidated results. The profit after tax for the life insurance subsidiary was ₹ 3.50 billion in Q2-2012 as compared to ₹ 0.15 billion in Q2-2011. Here I would like to mention that the non-par surplus of ₹ 2.54 billion was not recognized in the quarterly profits for Q2-2011 but non-par surplus has been recognised in Q2-2012 post the clarification from IRDA in December 2010. The new business premium for the company was ₹ 10.96 billion in Q2-2012 with new business margins at 16.0%. ICICI Life's overall market share for the period April to August 2011 was 5.7% and private market share was 14.9% based on new business retail weighted received premium. ICICI Life's overall market share improved from 5.1% in Q1-2012 to 6.4% for the period July to August 2011.

ICICI General recorded a 46.2% decrease in profit after tax of from ₹ 1.04 billion in Q2-2011 to ₹ 0.56 billion in Q2-2012, primarily due to an increase in sourcing costs and a decline in investment income. The increase in sourcing costs primarily reflects a shift to business segments, geographies and channels where the loss experience is relatively lower. The company maintained its leadership position in the private sector with overall market share of 9.6% up to August 2011. I had spoken about the revision in the third party motor pool loss rates as mandated by IRDA in Q4-2011 and the subsequent capital infusion that we had done in Q4-2011. I had also mentioned that a peer review of the loss rates in the third party motor pool was being carried out and the results of the review were expected by end June 2011. The result of the review is still awaited and there may be an impact on the general insurance subsidiary in case the loss rates are further revised upwards.

With respect to our overseas banking subsidiaries, I would like to mention that the financials reported for ICICI Bank Canada are based on IFRS. As per IFRS financials, ICICI Bank Canada's profit after tax for Q2-2012 was CAD 5.2 million. Total assets for ICICI Bank Canada were CAD 5.10 billion at September 30, 2011, at the same level as compared to June 30, 2011. The capital adequacy ratio at September 30, 2011 was 29.3%.

ICICI Bank UK continued to see balance sheet consolidation during Q2-2012 with total assets declining from USD 5.96 billion at June 30, 2011 to USD 5.13 billion at September 30, 2011. During Q2-2012, ICICI Bank UK's investment in bonds of financial institutions, excluding those in Indian entities, declined by more than half from about USD 665 million at June 30, 2011 to about USD 288 million at September 30, 2011. The remaining investments are primarily for entities in US, Canada and the Asia Pacific region. The exposure to European entities is less than USD 35 million and is to UK institutions. The profit after tax for ICICI Bank UK for Q2-2012 was USD 2.2 million. The capital adequacy ratio was 29.8% at September 30, 2011.

As a result of the above consolidated profits increased by 42.8% from ₹ 13.95 billion in Q2-2011 to ₹ 19.92 billion in Q2-2012. The consolidated RoE improved from 10.7% in Q2-2011 and 12.0% for Q1-2012 to 13.7% in Q2-2012.

I would now like to talk about our outlook for the full year. As I had mentioned earlier, there has been a moderation in economic growth, with a significant slowdown in new project activity. At the same, several changes on the regulatory front are underway. Our outlook for the balance year is in this context.

With respect to loan growth, we expect overall loan growth to be about 18%, in line with the system. The international book in our overseas branches is expected to grow at about 20-25% in rupee terms. In our international branches, while our bond and loan repayments are broadly matched by inflows from the asset side, we would have to see the availability of funding at reasonable costs to support growth in the book. While credit spreads have started normalising, we would have to see how market conditions evolve further. The domestic book is expected to grow at about 16%-17% with the retail portfolio growth expected to be lower, given the interest rate sensitivity of such loans. Domestic corporate loan growth will be primarily driven by demand for working capital finance and balance sheet funding, and offtake from existing project approvals. Growth in rural portfolio is expected to be in line with the balance sheet primarily in view of the priority sector lending requirements.

Given the decline in demand deposits in the system, CASA deposit mobilisation has become challenging. Further, the Reserve Bank of India, in its second quarter review of monetary policy has announced a deregulation of savings deposits rate. On a sustainable long term basis, we do not expect this to adversely impact the margins of banks as in general the increase, if any, in the rates would be passed on to the lending side by banks. We would expect the savings deposits to be priced taking into consideration that these are transactional deposits and banks incur significant amount of cost in acquiring and servicing such deposits. However, in the near term, we would need to see how the market evolves post this deregulation given the competitive dynamics involved. Our target would continue to be to maintain the average CASA ratio at about 38%-40% for FY2012.

We expect margins to remain stable at 2.6%, or improve slightly. However, as I mentioned earlier there could be an impact of any volatility of savings deposits rate on account of the deregulation announced recently by the Reserve Bank of India. International margins are expected to increase to about 120 basis points by the end of FY2012.

With respect to fees, during Q2-2012, we have seen improvement in certain fee segments such as transaction banking, forex & derivatives and remittance fees. However, fee income was impacted by a slowdown in corporate/project finance related fees due to moderation in new projects/financial closures. Going forward, growth in corporate fees would depend on any traction in new project announcements/financial closures. We expect to sustain the current fee growth trends, with an upside if new investment plans pick up.

Operating expenses in FY2012 are expected to increase by about 20%. The increase would be mainly due to the increase in employee base in FY2011, full year cost base of Bank of Rajasthan and the average increase of about 11% in salaries effected for FY2012. The cost-to-income trend for the current year is expected to be in line with the second quarter. Over the medium term, we would be working to keep the cost to income within 41-42% and the cost to asset ratio in the 1.7%-1.8% range.

For FY2012, we expect the H1 trend of provisions to average advances to be maintained, based on the current RBI guidelines and our current assessment of asset quality trends.

With this, I conclude my opening remarks. My team and I will be happy to take your questions.

Moderator: Thank you so much. We will now begin with the question and answer session. The first question is from the line of Saikiran Pulavarthi from Espirito Santo Securities. Please go ahead.

Saikiran Pulavarthi: What is the breakup of home loans in terms of builder loans as well as loans less than ₹ 25 lakhs which qualify the priority sector? How has been the growth in the last couple of quarters?

Rakesh Jha: The builder loans are about ₹ 100 billion within the retail portfolio. On your other question on the breakup based size of loan, I do not have the data right now. I will come back to you.

Saikiran Pulavarthi: If I have to exclude builder loans, is the core home loan portfolio showing similar trend to what the overall housing loans portfolio?

N. S. Kannan: Yes, that is correct.

Saikiran Pulavarthi: There is a sharp fall in the home finance subsidiaries loan growth. It has fallen approximately by 23%. What could be the reason for such a sharp fall?

N. S. Kannan: Almost the entire new business that we have been booking for the last now six or seven quarters has been in the parent bank. To that extent HFC portfolio has been declining on quarter on quarter basis depending on the repayment and the pre-payments.

Saikiran Pulavarthi: So majority of the contribution is due to prepayment?

N. S. Kannan: No. Organic repayments.

Saikiran Pulavarthi: Ok. Also, what is the reason behind the fall in the market share on retail loans while competitors are still showing a healthy growth across retail segments and especially on vehicle loans and home loans?

N. S. Kannan: One of the primary reasons for our retail book to come down is that on the retail unsecured loans, given our past experience, our view continues to be to not be aggressive on this portfolio. On vehicle loans, especially on the passenger cars the competitive pressures on pricing have been quite high and we decided to focus on the profitable part of this portfolio. On mortgage portfolio, we continue to have a very positive outlook towards building the portfolio.

Saikiran Pulavarthi That is it from my side, thank you very much.

N. S. Kannan Thank you.

Moderator Thank you so much. Our next question is from the line of Amit Ganatra from Religare Asset Management. Thank you and go ahead.

Amit Ganatra During the presentation you mentioned about the slippages and recoveries and upgrades. Can you please repeat?

N. S. Kannan The thing I talked about is the decrease in provisions by 50.2%, from ₹ 6.41 billion in Q2-2011 to ₹ 3.19 billion in Q2-2012. I also talked about the credit cost as a percentage of average advances at 56 basis points on an annualized basis. Then I talked about the net additions to gross NPAs which was ₹ 1.18 billion. I also talked about the two components which went into it. One is the gross slippages of ₹ 7.87 billion and recoveries and upgrades of ₹ 6.69 billion. The net difference being ₹ 1.18 billion of addition.

Amit Ganatra What was the addition to restructuring this quarter?

N. S. Kannan Addition to restructuring was about ₹ 7.4 billion primarily on account of the micro finance portfolio. There were also upgrades and the net number went up from about ₹ 20 billion to ₹ 25 billion.

Amit Ganatra You gave a very detailed description of your power exposures. However, on ICICI Bank also there is also a concern on the large real estate exposure.

N. S. Kannan We have talked about the real estate exposure in the past in the context of the commercial real estate exposure. This comprises three parts. One is the builder portfolio which Rakesh had explained. It also has loan against property, loans sanctioned to corporates with not just real estate as a security but also cash flows backing of the corporate. So it is really a combination of all this. The concern was probably expressed when the portfolio went up through the last year quite sharply. But since then if you see, it has been quite flattish. We do not have any concerns on that portfolio, we have not seen any slippages whatsoever and do not expect any material slippages to happen in this portfolio.

Amit Ganatra Especially on the builder portfolio, what is the LTV and what is the kind of collateral that you normally tend to have? What would be the prime reason for not having any concerns on the portfolio?

Rakesh Jha Firstly, we have been getting all the payments on time and we are not seeing any material delays in payments and absolutely no increasing trends on delinquencies in the portfolio. On the security structure, in all these loans, the collateral cover that we will have be at least be 1.5 to 2 times. In many cases it will be closer to the 2 times the loan value.

Amit Ganatra Thanks for the information.

Moderator Thank you so much. Our next question is from the line of Ashish Sharma from Enam Asset Management. Thank you and go ahead.

Ashish Sharma You mentioned that post the de-regulation you were evaluating how the competition will pan out going forward. Can we have the breakup as to what percentage of your savings deposits will have average balances more than ₹ 1 lakh?

N. S. Kannan We have not separately given the size wise breakup of the deposits.

Ashish Sharma Just a ballpark figure as to what will be the composition?

N. S. Kannan As we mentioned earlier, we will wait and see how the competitive situation develops and we will have an appropriate response.

Ashish Sharma Just one more data point, what will your yield on advances for quarter?

N. S. Kannan It is about 9.4% including both domestic and overseas branches.

Ashish Sharma Thank you.

Moderator Thank you so much. Our next question is from the line of Jimit Doshi from Reliance Securities. Thank you and go ahead.

Jimit Doshi I believe you have 29% of your total deposits as savings and you mentioned that your NIMs would be stable from here on. I believe if you had to compete with other banks by increasing savings rate, you could have a hit on your NIMs. Isn't it?

N. S. Kannan As I mentioned, the response you have seen is from a couple of small banks. I also mentioned that the savings bank accounts, as we see are essentially transactional deposits not with a view to earn higher interest. Even under the current regime if the consumer wants to be focused on the interest rate he has other avenues to deploy the money including term deposits with the same bank. So I do not think really interest rate is the driver influencing the savings account customer behavior. So in this context, being a large bank, we would watch the market developments rather than rush to increase the interest rates. We also believe that over a medium term, through increase in the fee income for transactions charges and partly through passing on the increases in the lending rates, the overall profitability and margins of the banking system including ours would be maintained. In the short-term, one could see some disruption but we are confident that over the medium term we will be able to maintain our net interest margins and actually increase them.

Jimit Doshi But is that the reason you have guided towards a lower CASA on deposit growth?

N. S. Kannan We have spoken about the CASA deposit ratio even prior to the October policy of RBI. We had said that systemic trends in terms of growth in demand deposits have been weak. As I mentioned earlier the October 7th data shows that on a year on year basis the demand deposits have actually declined. In that context while we would have liked to have a 40% average CASA ratio, the numbers came out at about a little over 38%. We would be looking to keep it at about 38 to 40%. So this has got nothing to do with the de-regulation of savings deposit rates.

Jimit Doshi Ok. Given you have loans in high risk areas and even though you have explained them, do you think that by lowering the provisioning outlook you are not providing enough for any future uncertainties?

N. S. Kannan We have consistently followed a provisioning policy based on which we make our provisions. The policy is in line with the RBI requirements and in some specific asset classes it is more conservative than the RBI guidelines. We had said earlier the bulk of our increase in provisions was on account of a specific portfolio which was the retail unsecured loan portfolio. By reducing the exposure to such assets, we have been able to bring down the provisioning levels. This reduction in provisions is something which we had anticipated. We had said earlier that the provision for the whole year would be about 80 basis points of the loan book. But given then Q2-2012 trends we are more confident of actually maintaining a H1 provision trend rather than the 80 basis points we had mentioned earlier. So it could be actually less than that that is what we believe. Apart from this, we also have another ₹ 15 billion of standard asset provisioning. Given that the bulk of our loan expansion has been in the secured loan category we are quite confident that we have adequately provided.

Jimit Doshi Lastly, what is your target deposit growth for the year?

N. S. Kannan Deposit growth in general will mirror our asset growth at about 18% or so. But our actual deposit increase would depend on our fund requirements. For example, at suitable times we have done borrowings whenever we thought that it makes sense to lock into a particular rate. Also, the international book is largely funded through borrowings and we do not see a corresponding deposit growth for the increase in that book. Having said that, for the wholesale deposits in the past, we have not been very aggressive in terms of rates. We have consciously increased our retail deposits in the mix of total deposits to more than 65% currently. To answer your question the deposit growth number would be driven based on the requirement of funds.

Jimit Doshi Thank you.

N. S. Kannan Thank you.

Moderator Thank you so much. Our next question is from the line of Mahrukh Adajania from Standard Chartered. Thank you and go ahead.

Mahrukh Adajania Why has the housing loan growth been sub-10%? Is it because of pre-payments?

Rakesh Jha The pre-payments are not really very high.

Mahrukh Adajania So the growth in this portfolio could pick up going ahead?

Rakesh Jha Given the increase in the lending rates we have seen, we are seeing some signs of slower growth in mortgage.

N. S. Kannan Our target is to keep and increase our market share but the market itself being an interest sensitive segment one has to wait and watch.

Mahrukh Adajania The other thing I wanted to check is when did you last raise money in international markets?

N. S. Kannan In May, 2011.

Mahrukh Adajania At what rate?

Anindya Banerjee About LIBOR plus 250.

Mahrukh Adajania So if you want to continue with the same pace of growth in international loans, then when would be next borrowing have to happen?

N. S. Kannan As I mentioned earlier, we are not currently looking at any bond issuances given that current secondary spreads are at about 370 bps. From our ALM perspective we are quite well positioned to meet the liability obligations from our current liquidity and the repayments out of our past assets. Our calibration of future growth rate in the international book would depend upon when and at what price we will be able to access the bond market. We are not in a hurry to access these markets given the current global environment.

Mahrukh Adajania The reason I am asking is given that retail is rate-sensitive and if that growth does not pick up, then how would you still achieve your 18% year on year growth target if international slows down?

N. S. Kannan If we look at current loan growth rate, it is closer to 21% on a year on year basis. You will have the peak season demand kicking in on the loan side in the second half. So we do not expect significant challenges in getting to about 18% for the year.

Mahrukh Adajania Your total slippages were ₹ 7.8 billion in Q2-2012. In the last quarter your slippages were around that number and there was some MFI slippage. Was there any MFI slippage this quarter also?

N. S. Kannan No. As you know we have a total exposure of about ₹ 10 billion. Between the slippages in Q1-2012 and the restructuring that we have done in Q2-2012, bulk of the MFI exposure is accounted for. There is nothing beyond it.

Mahrukh Adajania Ok. So this slippage for Q2-2012 will generally spread out across segments?

N. S. Kannan The slippages were part of retail and across the portfolios. These are really small cases. We had similar upgrades in Q2-2012. It is not really a net slippage in that sense.

Mahrukh Adajania Earlier we were expecting that the restructured portfolio would actually grow by closer to ₹ 12 billion. On a gross basis it has grown by ₹ 7 billion. So the remaining ₹ 5 to 6 billion would come in Q3-2012?

N. S. Kannan For Q2-2012, we always said about ₹ 7 billion.

Mahrukh Adajania Ok. What about GTL or some such accounts that are in the restructuring cell?

Rakesh Jha GTL was always expected to get restructured in the December quarter and has currently gone to CDR. So there will be some increase in the December quarter on account of the specific GTL exposure that you mentioned. There also could be few other restructuring cases as well.

Mahrukh Adajania Thanks.

N. S. Kannan Thank you.

Moderator Thank you so much. Our next question is from the line of Lyris Koh from Barclays. Thank you and go ahead.

Lyris Koh I had a question about the bond maturities in 2012. I understand that that is quite a big amount about US$ 1.7 billion next year. How does ICICI intend to pay these bonds?

Rakesh Jha As Kannan had explained, broadly the way the ALM structure is, we will be able to meet the repayments on the longer term borrowings through the repayments that we expect from our asset book. So we will be looking at the market from a funding point of view only for incremental growth. Otherwise the ALM is quite well matched.

Lyris Koh Ok. Are there credit lines or anything set up just as a backup for liquidity purposes to repay these bonds?

Rakesh Jha As a bank we would really not have access to credit lines. Broadly on an ALM basis we would have enough repayments coming in on the asset side to meet the repayments of the long term borrowings. We would expect the short term borrowings to roll over and from a fresh lending point of view we would look at doing a bond issue as and when the market improves.

Lyris Koh About the ICICI UK as bond call due date on 1st December this year, has there been any announcement made regarding that?

Anindya Banerjee No. That announcement is required to be made between 15 and 30 days before the call date, assuming the call is exercised. We will follow the normal process.

Lyris Koh Ok. Thank you.

Moderator Thank you so much. Our next question is from the line of Nilanjan Karfa from Brics Securities. Thank you and go ahead.

Nilanjan Karfa You had mentioned something on the expense ratio with respect to the employee cost. Could you repeat that please?

N. S. Kannan Expenses, as I said, have gone up by about 23.5% on a year on year basis. The increase has been primarily because of the increase in employee expenses. If you look at the average employee count it was about 48,500 people for Q2-2011 and in Q2-2012 we had about 59,375 employees. All the non-employee expenses are broadly under control. On the employee expenses we do not have any plans of adding incrementally to the employee base in net terms. The bulk of these salary increases we have affected and the manpower count is already reflected in the current run rate. For the year as a whole, operating expenses we would see about 20% growth. The operating expenses to income ratio at about 41% or so, had gone up in Q2-2012 to about 44%. This is not because we are overshooting the budget on operating expenses but because we have seen a moderation in fee income growth to about 7%. With some of the income elements lagging a bit, the operating expenses to income ratio going up over the medium-term we would like to target about 41-42% cost income ratio. The target has not changed. Maybe it will take a little more time to meet achieve the target, the cost to asset ratio is expected to be about 1.7 to 1.8% as we have been saying.

Nilanjan Karfa If I look at employee expenses that have gone up quite substantially. What is the reason behind that and why is the number of employees going up, other than the Bank of Rajasthan employees?

N. S. Kannan The reason is because it was planned to increase in that manner because we have increased our branch network to about 2,500 branches currently. We had to man all the branches and it was a budgeted increase in manpower. As I mentioned we will not overshoot our internal targets as far as the operating expenses are concerned. It is just that the ratio has become 44% from an income perspective because some of the income line items like fee income have seen slower growth. It is not that the manpower suddenly gone up. It was always budgeted, and planned.

Nilanjan Karfa: Ok. In that case, are you done in terms of manpower hiring for the next five or six quarters?

N. S. Kannan: If not five or six quarters, definitely for three or four quarters only addition would be to replace the attrition or staffing any new branches we set up.

Nilanjan Karfa: Ok. What is your average ticket size in the home loan market?

Anindya Banerjee: It would be about ₹ 1.8 million.

Nilanjan Karfa: Ok. With respect to power exposure, it was a detailed description that Kannan had given. Can I also get the commissioning schedule because I think the guideline says that if there is a delay of two years then it will have to be considered as a substandard asset? Can you also specify how some of these projects are progressing at this point in time?

Rakesh Jha: There are delays in a few of these projects, typically ranging between three to six months and may be up to one year in a few odd cases. But overall, as of now, we are currently not seeing any cases which would go beyond the two year time frame which is given by RBI in terms of completing the project.

Nilanjan Karfa: Thanks a lot.

Moderator: Thank you so much. Our next question is from the line of Ganesh Jayaraman from Spark Capital. Thank you and go ahead.

Ganesh Jayaraman: I wanted to get to understand your loan growth strategy going forward. Retail is trending down, overseas assets are not high priority and commercial real estate does not seem to be a priority too. Is it fair to say that infra is going to be the big growth sector? Is it going to be more of project finance? Infra is already about 15-17% of your loan book and in terms of your total exposure. Where do want to cap it?

Anindya Banerjee: Overall, as Kannan already mentioned, we are looking at a growth of about 18% for the current financial year. Within that the retail book will lag a bit. Currently the year on year growth on the secured retail loan is close to 10% but overall it is about 5 to 6% because the unsecured book has continued to decline. We are seeing strong growth in the domestic corporate business led by the disbursement happening out of the past sanctions that we have done and on the working capital related demand as well on the corporate side. The corporate loan book is up about 25% year-on-year. The overseas book on a year-on-year basis in dollar terms is up about 25%. Going forward, next financial year also, the corporate loan growth should be reasonably robust, though, of course, incrementally new project sanctions have slowed down considerably. At some stage that could start impacting loan growth but that is still some time away because there is a reasonable pipeline of past sanctions. We do not have any specific number in terms of what we would want our infrastructure loan book to be of the total loan portfolio. We will see some increase from the current level because there are exposures which have been committed but not yet disbursed.

Ganesh Jayaraman Ok. Of the ₹ 25 billion of restructured advances that you have, does it include any restructured loan from your overseas book as well?

Rakesh Jha It would.

Ganesh Jayaraman Can you give me a breakup in terms of the domestic and overseas restructured assets?

Rakesh Jha We have not given that break up

Ganesh Jayaraman Ok. Finally, your home loans including both the bank and your home finance subsidiary, add up to about ₹ 640-650 billion. Would it be possible for you to tell us what proportion of this would have seen some tenor increase?

Rakesh Jha A tenor increase would have been seen in a very large part of the portfolio especially given the rate hikes that have happened over the last 12 months. I do not have the numbers readily but I would guess it will be about 70% to 75% of the portfolio.

Ganesh Jayaraman Thanks.

Moderator Thank you so much. Our next question is from the line of Anand Vasudevan from Franklin Templeton. Thank you and go ahead.

Anand Vasudevan Your branch growth has been fairly flat and you haven't really added too many branches over the last three quarters. You commented that you are pretty much done in terms of staff hiring for the next three or four quarters. Can we understand why the branch growth has been flattish and what is your outlook for the next few quarters?

Rakesh Jha We have not added many branches post the Bank of Rajasthan acquisition. That was again on a planned basis. We have got about 300 to 350 licenses for the current financial year which we will open in the second half of the year. As Kannan mentioned, the employee count would pretty much be at the same level excluding any additions for the new branches. For the new branches we will add employees. We expect to open about 300 to 350 branches in the second half of the year, and a lot of it will come up only in the last quarter.

Anand Vasudevan Ok. If I look at the RIDF bonds on your book, the proportion of RIDF bonds to loans is about 7% which is quite high and that is a drag on your margins. Also the proportion has not changed over the last one year which means that you seem to add RIDF bonds in line with your loan growth. Are you not able to increase the proportion of direct priority sector lending?

Rakesh Jha While on an overall basis, we are able to meet the priority sector target, we have shortfalls in the weaker section lending target of 10% of net bank credit and the direct agriculture target. Even for March 2011 we had a shortfall and that I guess would be true for most of the private sector banks. It is indeed a challenge from that point of view.

Anand Vasudevan Would the proportion of RIDF bonds to credit remain fairly constant for the next few quarters?

Rakesh Jha It would because RIDF contributions do not count towards priority sector lending in the following year.

Anand Vasudevan Thank you.

Moderator Thank you so much. Our next question is from the line of Ashwini Manwatkar from Way 2 Wealth. Thank you, please go ahead.

Abhishekh Kothari This is Abhishekh Kothari here. Do you expect any NPA from the micro-finance restructuring that you have undertaken in Q2?

N. S. Kannan No. We just done the restructuring we do not expect any NPL in the near future from that. We have to wait and see on how they perform on the restructured terms.

Abhishekh Kothari Ok. What was the hiring done in Q2-2012?

N. S. Kannan In Q2 alone, the employee count was flat. So, net employee addition was not there.

Abhishekh Kothari But are there any additions at the gross level?

N. S. Kannan There would definitely be addition at the gross level but at the net level we have not had any additions.

Abhishekh Kothari What kind of asset quality levels do you see by the end of FY2012?

N. S. Kannan As we have mentioned, the provisioning expenses for the whole year will be mirroring what we have done for the first half. This is from a P&L perspective. From an asset quality perspective we do not anticipate any significant slippages for the rest of the financial year.

Abhishekh Kothari Thank you, sir.

Moderator Thank you so much. Our next question is from the line of Jatinder Agarwal from RBS. Thank you and go ahead.

Jatinder Agarwal On the security receipts portfolio, last couple of years we have seen that amount come down by about ₹ 1.00 billion every quarter. Do we actually get some cash against this or this is just being written down?

Rakesh Jha: Mostly the cash comes in. We also hold a mark-to-market provision on the NAVs. So the reduction that you are seeing is on a gross basis. Against the ₹ 26 billion we will be holding provisions as well.

Jatinder Agarwal: So if I have a ₹ 1.00 billion cash receipt and I have ₹ 0.50 billion of cumulative provision that I have made against that specific security, then the cash comes on the remaining. Is that correct?

Anindiya Banerjee: No. We mean to say that the ₹ 1.00 billion reduction per quarter that you mentioned is on account of cash receipts. We also hold mark to market provisions based on the declared NAV of the asset with us which is a separate number.

Jatinder Agarwal: Ok. On international subsidiaries, what is the management's assessment of the regulatory environment and how long do we plan to keep excess capital in some of these subsidiaries where business has not been growing for the last two years?

N. S. Kannan: Our outlook on the regulatory regime is that increasingly they will require us to lend locally if we raise deposits locally. Both Canada and UK are domestic deposits funded and so to that extent there is going to be a challenge in growing the portfolio in a manner and the desired portfolio mix. So as a result we have taken a call that we will not aggressively expand the loan book. In fact, as I mentioned earlier the UK book has further come down during the quarter. We will continue to see flat to declining balance sheets for both Canada and UK. From a profitability perspective, reasonable ROE will not be generated not at this level of capital but at a reduced level. We have just started the dialogue, for example, with the Canadian regulator to see if a part of the capital can be repatriated. My own sense is that it will take some time before we get some clarity on that. Till then we will manage with lower ROEs but not expanding the book aggressively.

Jatinder Agarwal: Ok. Can I get the domestic margins and the international margins for the quarter?

N. S. Kannan	The domestic margin was 2.92% and the international margin was 1.09%. The international margin has improved through the year and we expect to close the year with about 1.2% margins for the international branches.
Jatinder Agarwal	Lastly, on savings bank rate deregulation, what do you think will make you increase rates?
N. S. Kannan	Currently, we are not planning any increase in rates at all.
Jatinder Agarwal	But we have seen the smaller banks increase their rates.
N. S. Kannan	The smaller banks have increased but we will wait. I had said earlier that over a period of time we will be able to protect the margins by charging for transactions which we currently give free of cost and by passing on, if any, some of the increase in the lending rates. There could be some short-term disruption but we will wait and watch.
Jatinder Agarwal	Any constructive dialogues with some of the peer banks on this?
N. S. Kannan	No.
Jatinder Agarwal	Thanks a lot.
Moderator	Thank you so much. Our next question is from the line of Mudit Painuly from Macquarie. Thank you and go ahead.
Mudit Painuly	Regarding your insurance subsidiary, have the NBP margins stabilized or do you still see some pressure there?
N. S. Kannan	The NBP margins currently are at 16%. As we have said margins are expected to be between 15% and 16%.
Mudit Painuly	This is taking into account the tax rate at 14%?
N. S. Kannan	Yes.
Mudit Painuly	Finally, is there any directive from RBI that if you increase the tenor of your home loans you have to classify them as restructured loans?

N. S. Kannan No.

Mudit Painuly A recent news report indicated that RBI is saying that if you have increased the tenor of home loans you have to classify it as restructured. Normally it is done during the rate increase cycle. Has, there been any issue from RBI in this regard?

N. S. Kannan No.

Mudit Painuly Thanks a lot.

N. S. Kannan Thank you.

Moderator Thank you so much. Our next question is from the line of Krudent Chheda from Value Quest Research. Thank you and go ahead.

Krudent Chheda Sir, what was your exposure to airlines and the textile sector?

N. S. Kannan The significant exposure to airline industry is only the Air India bonds which we have subscribed to. These are fully backed by a government of India guarantee. There are no concerns on this at all. Apart from that exposure, we don't have a material exposure to airlines other than to Kingfisher which anyway is a part of restructured loans. Textile is less than 1% of our loans and that is a portfolio which we are not aggressively building.

Krudent Chheda Would it be possible to give the amount of the Air India bonds?

N. S. Kannan The original arrangement was for about ₹ 55 billion. We have been selling it down and the current exposure will be lower.

Krudent Chheda Have we provided anything for the marked-to-market on GTL?

N. S. Kannan We have converted a part of the GTL loan into the equity shares like any other equity shares they have been marked-to-market. So it will be reflecting at the current price in our books. The mark-to-market loss has been taken in the quarter.

Krudent Chheda Can you quantify the mark-to-market loss?

N. S. Kannan We do not specifically talk about individual exposures.

Krudent Chheda Ok. You have any exposure to KS Oils?

Rakesh Jha We have some exposure to KS Oils.

Krudent Chheda Would it be possible to quantify?

N. S. Kannan It is a very small exposure.

Krudent Chheda Thanks a lot, sir.

Moderator Thank you so much. Our next question is from the line of Amit Premchandani from UTI Mutual Fund. Thank you and go ahead.

Amit Premchandani NHB has issued a guideline for similar interest rate for old and new customers. What would be the likely scenario for banks if it is implemented for banks also and how do you think it will play out?

N. S. Kannan On the prepayment penalty for home loan floating rate loans, that if made applicable to us, will not be a very significant impact. However neither this nor the interest rate parity is being talked about today in terms of a circular or anything. So we will wait and watch.

Amit Premchandani How do you think the market dynamics will change for HFCs versus banks if such a circular is applicable for both? As per your experience who will be the likely beneficiary?

N. S. Kannan Normally what we have seen in all such regulations is the banking sector coming under purview first and then followed by NHB. This time NHB has done this first. We will have to wait and see how it develops for banks.

Amit Premchandani Another question on the pending restructuring proposals. If you take into account the cases being talked about in the media like GTL, Air India, Lilliput which are in the CDR pending for restructuring, what would be your exposure to the pending restructuring proposals in CDR?

N. S. Kannan — To an earlier question we had said that the GTL restructuring was not expected for Q2-2012. That is expected in Q3-2012. Air India, as I mentioned earlier the significant exposure is on account of the fully government guaranteed bonds. That is not under the purview of CDR and we will sell down as we go along. I do not expect that to reflect in our restructured book at all.

Amit Premchandani — Thanks a lot.

Moderator — Thank you so much. Our next question is from the line of Hiren Dasani from Goldman Sachs. Thank you and go ahead.

Hiren Dasani — If you were to net off the builder loans what would be the growth on the mortgage side?

Rakesh Jha — On a year on year basis it would be about 5%.

Hiren Dasani — The other question is on the impact of parity of interest rates for new and old customers, can you quantify what would be the difference between the rate for your existing borrower and what rate would you be offering to new customers?

Rakesh Jha — The operational challenge with the guidelines issued by NHB is immense. One does not have a clear risk categories of home loan customers based on which pricing is done, unlike say on corporate side where you have a rating for each proposal. So it is very difficult to say what is the like-to-like rate. Indeed the existing customers will be in a range of rates and some of those rates will be higher than what the new customer could be offered. But to exactly compare is quite difficult.

Hiren Dasani — Ok. Again on the restructured book, if you were to just think about all the proposals which are pending with the CDR, what would be the restructured book as of March 2012, assuming that there is no fresh proposal which goes into the CDR?

Anandiya Banerjee — As we have said earlier, the one pending restructuring that is there is for GTL and beyond that we do not really have any large restructuring proposal on hand as of now. Maybe, a couple of cases will get added in the next few months but that we will have to wait and see. There is no big pending backlog of CDR cases just now.

Hiren Dasani Lastly, were there any adjustments in the reserves in ICICI UK in this quarter in the net worth?

Rakesh Jha There would have been some movement in the mark-to-market on reserves. It was very small, at about US$ 5 million - US$ 6 million.

N. S. Kannan Other than that on the reduction of investment book from over US$ 600 million to a little under US$ 300 million, the realised losses have been taken through the P&L account for the quarter.

Rakesh Jha With respect to the networth, the impact has gone up from US$ 60 million at June 30, 2011 to US$ 68 million at September 30, 2011.

Hiren Dasani So about US$ 8 million would have gone through the reserves?

N. S. Kannan That is correct.

Hiren Dasani Also, similar to Canada have we not initiated any dialogue with the UK regulator?

N. S. Kannan No, not yet. The capital base in UK is also much smaller. From our perspective the significant excess capital is in ICICI Canada. So we sort of gave priority to that.

Hiren Dasani Thank you very much.

Moderator We have the second last question from the line of Kashyap Zhaveri from Emkay Global. Thank you and go ahead.

Kashyap Zhaveri Good evening, congratulations on a good set of numbers. I have two questions. One, if I remember correctly we had total MFI portfolio of about ₹ 10.00 billion of which about ₹ 2.00 billion was classified in NPL in the previous quarter and this quarter we have restructured about ₹ 7.50

billion. So a large part of the MFI portfolio in terms of restructuring and NPLs is all accounted for?

N. S. Kannan Yes.

Kashyap Zhaveri Have you done any standard asset provisioning in this quarter and if not will you start doing that?

Rakesh Jha Currently we have excess over the RBI requirements and as per the guidelines we cannot reverse that. So we have not done any further general provision in the first half of the financial year. For this year we will not be required to make any general provision.

Kashyap Zhaveri So probably in Q1-2013 next year we would start making them?

Rakesh Jha That would depend on the RBI guidelines prevailing at the time.

Kashyap Zhaveri Thank you.

N. S. Kannan Thank you.

Moderator Thank you. We have the last and final question from the line of Manish Karwa from Deustche Bank. Thank you and go ahead.

Manish Karwa I wanted to talk on the international subsidiaries. The losses that you have taken in the international subsidiaries, does that flow through the P&L and how much of that has being flowing through the P&L?

Rakesh Jha Which losses are you referring to?

Manish Karwa If you look at the quarter-to-quarter basis or even on a year-on-year basis, profits both from UK and Canada have gone down substantially. Is it because of the investment portfolio that you would have sold?

N. S. Kannan It is partly because the balance sheet itself is coming down in UK while Canada has been flat. Profits have not been growing there because of that as well. What I had mentioned earlier was that apart from the decline in the balance sheet itself leading to a decline in profits, when we brought down our UK investment book by half whatever little losses which had to be booked, has gone through the P&L account.

Manish Karwa Then does it mean that the run rate that we are doing now would continue given the fact that we are not growing much in the international subsidiaries?

N. S. Kannan We would like to improve the profitability because some of the adverse impacts which we had to take we have already taken. Our focus is that we should increase the profits here on.

Manish Karwa What was the nature of the investments that you had sold in ICICI Bank UK? Was it some old investment or is it just the mark-to-market that you have taken?

N. S. Kannan ICICI UK used to have a larger bond portfolio to financial institutions and banks and given the Europe and global situation, we had been quite focused on bringing down this exposure. Over the last one year we have brought it down substantially and during the quarter we have brought it down by more than US$ 300 million. This is a conscious strategy to de-risk the portfolio.

Manish Karwa So has it been largely de-risked now or can it reduce further if the situation in Europe continues to remain uncertain?

N. S. Kannan As I mentioned the US$ 300 million or so exposure which we have remaining, it is quite diversified, with large portions being in Asia Pacific banks and other domains. The Europe exposure is less than US$ 35 million and that too to UK-based institutions. So we do not see any problem at all. To answer your question we are pretty much done with the reduction.

Manish Karwa On insurance, if you look at the last three quarters, your assets under management has consistently been coming down and the pace is actually increasing. Is this a sign of worry and probably on account your lapsation rate being pretty high?

N. S. Kannan From a month-on-month perspective, the quality of the book has only improved and the management has taken very specific measures to reduce the surrenders and improve the persistency. The primary reason for what you mentioned in terms of the reduction in assets under management is because of the market. Given that the predominant portion of assets under management is still equity, market conditions have resulted in negative mark-to-market and that is why the portfolio has come down. Also we are yet to see the kind of growth in the first year premiums as had been in the past. The industry is still adjusting to the new set of products and post October and November we believe that industry will get back into the positive growth rate. That is the time you will see the increase in AUMs. The reduction is because of these two components, and has got nothing really to do with surrenders and lapsations.

Manish Karwa After a long time your expense ratios have started to go up on the insurance front. Again is it because of lower top-line?

N. S. Kannan It is largely because of the lower top-line. From our efficiency and productivity perspective, we have improved quite a bit. Also in insurance there is a seasonal uptick in the 3rd and 4th quarter. So I would request you to look at the year as a whole number to judge on the top-line and operational efficiencies.

Manish Karwa Ok. What is your breakup of provisions during this quarter? How much was for NPLs and how much for restructured? Is there any investment related provisions?

Rakesh Jha Most of it is for NPLs. Restructuring is quite a small portion. There would also be some provisions on investment depreciation. However, most of it will be for NPLs.

Manish Karwa What would be the treasury loss on your equity portfolio?

Rakesh Jha We have not separately given the number.

Manish Karwa But the negative number in the trading profit would be largely from equities. Is that a fair assessment to make?

N. S. Kannan I had mentioned earlier about GTL and such assets where there is as a part of the loan conversion to equity that gets marked-to-market. Given that the Sensex had come down by 13% over the quarter, the entire marked-to-market on those got reflected in the treasury line item.

Manish Karwa Lastly just to reconfirm, the rupee depreciation will not have any impact on the P&L of the bank?

N. S. Kannan No.

Manish Karwa Thanks a lot.

N. S. Kannan Thank you.

Moderator Thank you so much. I would like to hand the call over to Mr. N. S. Kannan to closing comments. Please go ahead Sir.

N. S. Kannan Thank you once again for joining us on this call. My team and I are available for any residual questions you may have. Thank you.