

18.06.2020

To,
The Manager,
Listing Department,
National Stock Exchange of India Limited,
'Exchange Plaza', C-1, Block – G,
Bandra-Kurla Complex,
Bandra (E), Mumbai – 400 051
Ph. No. 022-26598100
Scrip Code: GEOJITFSL - EQ

To,
The Manager,
Listing Department,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001.
Ph. No.022 22721233
Scrip Code : 532285

Dear Sir/Madam,

Sub: Transcript of Analyst/ Institutional Investor Meetings

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we are enclosing herewith the transcript of the Q4 FY2019-20 Earnings Conference Call held on June 15, 2020 at 4.00 P.M.

Thanking you,
For **Geojit Financial Services Limited**



Liju K Johnson
Company Secretary



“Geojit Financial Services Limited
4QFY2020 Earnings Conference Call”

June 15, 2020



ANALYST: MR. UDIT KARIWALA - AMBIT CAPITAL

**MANAGEMENT: MR. C J GEORGE - MANAGING DIRECTOR –
GEOJIT FINANCIAL SERVICES
MR. SATISH MENON – EXECUTIVE DIRECTOR –
GEOJIT FINANCIAL SERVICES
MR. A BALAKRISHNAN – EXECUTIVE DIRECTOR -
GEOJIT FINANCIAL SERVICES
MR. SANJEEV RAJAN - CHIEF FINANCIAL OFFICER -
GEOJIT FINANCIAL SERVICES
MR. LIJU K JOHNSON - COMPANY SECRETARY –
GEOJIT FINANCIAL SERVICES**

Moderator: Ladies and gentlemen good day and welcome to Geojit Financial Services 4QFY2020 Earnings Conference Call hosted by Ambit Capital. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Udit Kariwala from Ambit Capital. Thank you and over to you Sir!

Udit Kariwala: Hello everyone. I welcome you all for the call. We have with us Mr. C.J. George, Managing Director, Mr. Satish Menon, Executive Director, Mr. A. Balakrishnan, Executive Director, Mr. Sanjeev Rajan, Chief Financial Officer, and Mr. Liju Johnson, Company Secretary. I welcome the management team on this call and without further ado, over to you Sir!

Satish Menon: Good evening to everybody. This is Satish Menon. I will just take you through the financial results for the last quarter and for the year and some numbers after which we can open for Q&A.

In terms of the operational income for 4QFY2019-2020, we had done Rs.82.31 Crores, which is a growth of 8% over the same quarter last year and a growth of 6% over by December quarter. In terms of total expenses Rs.57.82 Crores which is 7% down from the same quarter last year and 1% down from the December quarter. In terms of earnings before taxes, we have reported Rs.24.86 Crores for the March ending quarter which is 77% up from the last March and 27% up from the December quarter. For the full year, income is little less than 1% from FY2019 to Rs.305.34 Crores and EBT is Rs.74.11 Crores which is 13% higher than 2018-2019.

We go to product-wise income, 4Q was slightly better for the brokerage and brokerage-related income, we have reported Rs.63.45 Crores as income from brokerage and related activities which is a growth of 5% YoY and 8% compared to the previous quarter.

Financial product distributions, Rs.14.26 Crores of income, which is 50% more from the same period last year and negative 1% from the December quarter. Financial product distribution was split into two major items, mutual fund it is Rs.10.21 Crores which is 17% up from the last year March and same as reported in the December quarter.

Insurance has gone up by 447% to Rs.3.97 Crores and it is slightly 3% down from the December quarter. Software income is down 29% YoY and 1% up from the December quarter and operational income 8% YoY growth and 6% quarter growth. In terms of product mix, 4QFY2019 79% of the income used to come from brokerage and related activities, it

has now come down to 76.74 and in financial products distribution, we have been able to a little bit diversify into insurance also compared to the year before quarter. Year before, we had insurance contributing 7.6% and in the JFM 2019-2020 quarter insurance is contributing close to 28%. In terms of other key figures, the SIP book stands at Rs.164 Crores, SIP and STP book, SIP count as of March 2020 is around 400 thousand and SIP AUM is close to Rs.1800, it is dip from December 2019 primarily because of the market fall in the month of March, primarily which happened in the last 10 days of March.

In terms of asset handle holding, we have Rs.23000 Crores of asset under holding in our DP, mutual fund assets for Geojit it is Rs.3750 Crores in March 2020 compared to Rs.4400 Crores including debt last year. In terms of new customers, last quarter we recruited 13250 clients slightly better than the third quarter. Over the year we have recruited 51000 clients. This year we have given the gross net inflow and net inflows in the presentation itself so that people get better clarity of what is happening on the mutual fund side. For FY2020 the gross inflow was 1563 Crores in equity mutual fund scheme for Geojit, compared to Rs.1805 Crores in the year before. Net inflow this year we closed at Rs.610 Crores of net inflow for equity and equity hybrid schemes compared to Rs.1062 Crores previous year and especially the last quarter the net inflow of only Rs.116 Crores compared to Rs.279 Crores a year before. This is primarily due to the fluctuation of the market. In the fourth quarter, we had seen slightly more redemption in the mutual fund side.

The brokerage yield has remained more or less the same in terms of the blended yields, blended yields slightly up, it is 0.034 compared to 0.033 compared to the December quarter and equity yield is also more or less steady at 0.118 compared to 0.119, the average trading turnover slightly lower than Q3 of last year whereas volume and cash market went up whereas the volume in the derivatives market came down for us. This is as far as the presentation is concerned. We will now open the Q&A.

Moderator:

Thank you very much. We will now begin the question and answer session. The first question is from the line of Akshay from White Oak Capital. Please go ahead.

Akshay:

I had a question to understand your views on it. So primarily currently the businesses the equity broking, mutual fund distribution now on the equity broking side we are you seeing that due to various players sort of entering and their yield had gotten compressed and profit pool kind of reduced, similarly on the mutual fund distribution to the yields have kind of come off because of lesser and lesser players and more of SEBI regulation, plus there is a shift to direct that is also kind of happening so how do you see given both the businesses have some form of headwinds, how do you see this current strategy sort of panning out over three to five years period and what are the things that we want to achieve if you had to take a five years view?

Satish Menon:

We have seen in the brokerage market that the discount brokers coming up and over the last one year specifically apart from the largest discount broker some other brokers have also come up in the ranking side in terms of number of clients. We feel that these clients are probably relating to the futures and options market but we have also seen that in terms of the COVID situation and April and May we have seen larger retail participation coming to the market. There is an increase in the client base, my personal feeling is there is market for both of us, discount broker caters to a particular segment of client and Geojit like, full service brokers service particular segment of the client so my feeling is in the long run both will sustain both will be there and catering to each segment of clients. Coming to distribution in terms of mutual fund, yes, we have seen the yields going down primarily because of SEBI rules. Over the last four years we have seen distributors commission coming down by almost 35% to 40%. We had started our journey to build mutual fund assets in 2016 and the yield what we used to get that time and this time it is close to 35% less so yes the industry has played its role and the regulators have thought that industry is maturing and cost to the industry should go down of course subsequently that the reduction in cost has not yet amounted to increase in volume as of now which I think it is probably because of the market situation and not to do with anything else so the impact of yield has already happened in the last one and a half years I do not further see a reduction in the yield going from now for at least for some more time. To answer your question about the online mutual fund, yes, we have seen online increasing in percentage terms, but this is largely coming from metros and largely coming from well informed investors. Mostly we cater to the sub-A type kind of cities to retail clients where they still prefer to do an offline transaction where they value the advice received from an offline employee. So my feeling is both will continue and both will grow over the period of time. India as you know is very under penetrated market for mutual funds I can only feel when the appropriate times come this number should balloon to maybe three times or five times figure in terms of number of clients over the years to come.

C.J. George:

Let me add one more point when we say offline we are not talking only about offline transactions. The relationship is built offline and there is a face-to-face human interface in between so we are able to sell various financial products to the same client in the clients household, the idea is from the client household if somebody wants to buy life insurance or health insurance or auto insurance or mutual funds, derivatives, equities, we will be in a position to advise you, maybe he will execute online but his advice could be through offline branches, execution will be through online so we are seeing definitely greater amount of interest and we are not seeing any lack of interest from the side of the clients and this relationship is helping us in terms of selling all financial products to same client so it is not a trading kind of relationship which Geojit is enjoying with the clients we are there building long-term relationship with client and the clients family so that is how we place it and that business we are very confident that we can grow that business.

- Akshay:** Sure. Thanks.
- Moderator:** Thank you. The next question is from the line of Chander Bhatia from Seers Fund Management. Please go ahead.
- Chander Bhatia:** Congratulations to Mr. George and Mr. Menon and the entire team for excellent set of numbers, I have a couple of questions. First is regarding the challenges faced during the lockdown period with regard to business opening of new trading accounts and distribution of financial products so this is my first question?
- Satish Menon:** In terms of the lockdown periods in Kerala we started a week before the National lockdown happened on March 23, 2020, March 24, 2020 during the lockdown period we have not been able to open all our offices only half of the offices are open and in some places the whole state is not open. but what we have seen in terms of volumes, the volumes have increased March post the lockdown and in the month of April and May and also the first half of June, the volumes is around 20%-25% higher than what we have seen over the last year so in terms of brokerage business, lockdown has actually helped in better revenues but at the same time in terms of the distribution business for mutual fund as well as in insurance, the dip we have seen that in the last half of March when the lockdown happened as mostly distribution business happen face to face, unlike brokerage in terms of brokerage close to 75% plus of our volumes are online we had gone particular days about 80% of the total volume coming online so brokerage business can be done online, but the mutual fund and insurance, the new sales which happens primarily offline has taken a little beating in terms of the new collection. In terms of mutual fund AUM we have reported Rs.3700 odd Crores of mutual fund a year which is March end but if you look at February mutual fund AUM it was Rs.4000 plus Crores so what we have seen is the AUM has come down because of the market but in terms of lockdown April and May we have seen actually lesser redemption compared to what we have seen in the same period of JFM so in terms of new business lockdown has affected the mutual fund and insurance but in terms of brokerage actually the brokerage volumes are little better.
- Chander Bhatia:** And Sir my next question is about your brokerage yielding going down since last many years maybe say eight to ten years it was almost double to this what it is today so where do you see it in next three to five years?
- C. J. George:** I will take this question. The question is, what is the trend that we are going to see in the broker yield, is that right? In the trade execution business, the trade execution business is actually becoming comparable to gaming business so in the trade execution business, we are particularly derivatives big volume etc., we are very sure that the yield will continue to go down but in terms of investment service of business where we are there to help the client

to make money and create wealth in that segment we are of the view that the yield may not go down rather when we add value to the clients requirements we are very sure that the yield can even go up so there will be reduction yield in the mere transaction execution trading business but there will be an improvement in the yield when we add more value to a client this is our perception and this is the conviction that we have going forward.

Chander Bhatia: Sir one more question if you can give the number of active DMAT accounts and accounts which are above the securities holding more than 2 lakhs?

C. J. George: We do not have that number at the moment.

Chander Bhatia: Okay thank you. This is from my side and all the best. Thank you.

Moderator: Thank you. The next question is from the line of Vijay Karthik from Briansten Investment. Please go ahead.

Vijay Karthik: Congratulations on a strong set of results and thank you for providing the page on the growth inflows as well. So my questions pertains to so this year we added 50,000 clients what do you think we can do in FY2021 and what about the cost to income ratio for Q4 it was very strong at 61% for the full year it was at 66%, what do you think that should be in FY2021?

Satish Menon: We do not give guidance, we don't give forecast but in terms of what I can tell you for the first quarter of this financial year till now since the volumes in the market are better the income should be better whereas we have seen slight reduction in the cost in terms of offices and all those things, but our feeling is for us since a major portion of our income comes from brokerage till now, the brokerage volume will actually impact the CIR, if brokerage volumes are better, the cost to income will go down. In terms of number of clients we added 51,000 clients last year compared to 87,000 clients the previous year and 85,000 odd clients in the year before so last year there was definitely a dip in the number of clients, our target for this year is close to what we have done the year before. It all depends on how the situation improves.

C.J. George: Also I must add one more point we have started the digital on boarding of clients so thereby without much difficulty even during the lockdown period even when we are unable to meet the clients the opening of account will be smooth and almost instantaneous so this is the service that we launched when we were on lockdown and this is helping at a faster rate of getting the clients on board so this will also help this year for us in order to add more clients.

- Vijay Karthik:** Okay and anything on the expansion plans I think so we were planning to open some branches in the North and have you seen any decline in rentals for us?
- C.J. George:** We are opening few branches where we do not have any presence at all otherwise during this COVID period our focus will be on the places where we are strong, the places where we can easily get new clients so there will not be significant expansion that we are thinking of this year but all that depends on how COVID-19 situation is unfolding.
- Vijay Karthik:** And have seen any decline in rentals?
- C.J. George:** See, decline in the rental on a permanent basis we have not seen yet so wherever we have renewals that is the time we renegotiate, but at the same time I must tell you that we got some rent reduction which are not very small in this quarter this could be treated as kind of one time quarterly reduction but going forward when there is a renewal that is the time we will be able to renegotiate, but having said this for all the branches, the branch managers and regional managers are on the job to renegotiate the rentals and new contracts with landlords so we expect some savings.
- Vijay Karthik:** Okay can you quantify?
- C.J. George:** No I am sorry that will lead to giving kind of guidance.
- Vijay Karthik:** No problem and can you tell me what is the current margin trading book and BTST and MTF book at the end of the March quarter and what was the average?
- Satish Menon:** Just a hold line I will answer this question Vijay, I need to find out that take the data of the margins trading but we can go to the next question by the time you will get the data?
- Vijay Karthik:** Okay and on the income from MTF book?
- Satish Menon:** Income from the MTF book for the March ending quarter was Rs.1.8 Crores.
- Vijay Karthik:** Okay and I think it will be impacted in the current quarter as well right. I will get back in the queue. Thank you.
- Moderator:** Thank you. The next question is from the line of Satish from Sundaram Mutual Fund. Please go ahead.
- Satish:** I had a couple of questions first in one of the early gentleman's question you mentioned that yields you assume to see not going down further, I wanted to clarify on this you are talking about cash market yields that is number one and second Sir if you see last year our

insurance has driven good amount of our growth for us. This year post COVID how do you see the insurance distribution business and we have any split between protection business and other businesses and how do you see the fee income there next year?

C.J. George:

Satish, I will just answer one part of the question then leave it to you. This question was on the long-term view on the yield again repeating what I was talking about is the yield in the cash market where we are not just an execution service providers, we are helping the client to create wealth that is the way we position our self as far as our relationship with the client is concerned. So there could be some amount of pressure on yield but at the same time what we are doing is we have as you all are aware, we started selling mutual funds to those clients, insurance to the clients, life insurance, health insurance, auto insurance etc. So we are basically looking at revenue from a client today rather than just yield on cash market transactions, but I have no doubt in my mind to the derivatives trading transactions as well as the so called day trading transactions which I would rather compare with gambling there the yield will definitely go down I have no doubt in my mind. I request Satish to answer the other question.

Satish Menon:

So in terms of the insurance business so over the last one year we build the insurance book and it is primarily coming from life insurance, if you look at the all the quarters spread out for the full financial year in the first quarter we had close to 1.8 Crores of premium, in the second quarter we had close to 8.8 Crores of premium collected, in the third quarter 15.42 Crores and the fourth quarter 12.44 Crores normally fourth quarter is the best quarter but post March first ten days, we have not been able to sell insurance. The quarter going right now April, May, June quarter we still are affected by COVID but we all know that first quarter for distribution business is always weaker. Post COVID I think we will be able to get the tempo going again in terms of the insurance business. To talk about the split between the insurance business and life insurance close to 30% of the business is pure protection that is strong and the balance is coming from normal endowments. Did I answer your question?

Satish:

And when we mention about the yield just in addition to the question talks about yield so we spoke about the cash in yield that would continue with pressure but our focus is on increasing the clients wallet share, when you talk about in last two years for example existing clients how much we would have increased our revenue share in the existing clients by hedging lot of various cross selling some data points will be helpful.

C.J. George:

It will be difficult to give you that data at the movement. Although we have the data, I can only tell you that we have only taken an advantage of cross selling from around 20% of our clients so far, so balance active clients list is there for us to basically change the way we service the client.

- Satish:** Thank you.
- Satish Menon:** Operator before you go to the next question, I just wanted to answer a question remaining from Vijay to tell you the March 31st margin trading book it was close to 17 Crores. You may go ahead operator.
- Moderator:** Thank you. The next question is from the line of Madhukar Ladha from HDFC Securities. Please go ahead.
- Madhukar Ladha:** Just one can you give me a split of the broking between BTSTs, depository income others for the quarter?
- Satish Menon:** For the quarter the income margin trading I have answered is 1.8 Crores other BTST and penal charges is 3.03 Crores, depository is 4.88 Crores that left with pure brokerage of 47.51 Crores.
- Madhukar Ladha:** What did you mentioned for depository sorry I did not get that?
- Satish Menon:** 4.88 Crores.
- Madhukar Ladha:** And Sir can you give us some commentary around how are you retaining clients so over the last five, seven years discount brokers have emerged are the big competition and our active subscribers are actually not going anywhere so for most part of the year we were down from FY2019 and just like flattish over let us say I mean FY2018 the number of active customers has actually come down. So obviously we are facing some competition so maybe you can talk about some strategy and on how you see this number and how you look at retaining clients?
- C.J. George::** One part of the answer I will give basically with regard to this active number of customers when you see this decline this should be seen in the context of what we are doing in mutual funds distribution etc., so it is not only cross selling we are today bringing new investors into the market through the mutual fund route so we are considering active client let us say client who pays us either through mutual fund commission or insurance commission or through brokerage fees so we are not basically comparable with the active broking clients better which is there in the public domain so the other question Satish can answer the other part.
- Satish Menon::** So this is the main point if you look at our active client like Madhukar said it has remained steady over this financial year and has slightly gone down compared to the last financial year, but like Mr. George said in terms of mutual fund we have added clients so which has

not affected us, so it was a conscious decision by the company to try to build up the annuity business for the company by first trying to build mutual fund AUM so you would remember when we started selling SIPs aggressively. So over the last four years we have increased our mutual fund AUM by primarily selling it to of course existing clients as well as new clients so like Mr. George said it is not correct to compare only in terms of active clients to the brokerage market we need to see active clients compared to both the segments which was a conscious effort by the company to maybe eliminate our self from the vagaries of the market to having a sustain steady annuity income which we have build in through some mutual fund so we went up from 1000 Crores in 2016 mutual fund AUM to we had one point of time reach 5000 Crores in the first quarter of last year but post the market fall it is 4000 odd Crores. We will also like to mention that couple of AMCs have told us in terms of the net inflow to the industry we have published a net inflow for the last quarter as well as for the full financial year in the presentation and we understand in terms of equity and hybrid equity we are the fourth largest distributor in the country with this net inflow in absolute value not even in percentage terms, but in absolute value so that is the addition what we have done. Yes, the markets were bad especially in the last two three years and also what is done in the March but we feel that in terms of comparison, we need to look at both of them together not separately so we have done pretty okay in the mutual fund like I said at 116 Crores of net inflow for the quarter we understand that we are the fourth largest in absolute terms in the industry.

Madhukar Ladha: Sir but also you know we are still losing ground on pure equity, in the pure equity broking market. So what steps are we specifically taking over there so that and this is still our primary revenue source, it is the largest revenue source for us. So how will we be able to defend and retain our market share or our revenues that is very important I suppose any thoughts on that?

C.J. George: Your question is very important. So I was mentioning this point we have taken various steps in insurance that to life insurance, we are just starting the health insurance and auto insurance etc. So this distribution business we started 4 years back but we had reached 5000 Crores of AUM the whole idea was to build a business whereby we get a stable trail fee income but that part of the income that comes to us we do not consider it as transaction execution revenue some dip into the market volatility we are selling mutual funds rather distributing mutual funds on an advisory mode helping people to create wealth for long time that is why we are focusing more on SIPs so this is basically not comparable with the equity brokerage revenues where we see significant cyclical changes. So it is slightly different so the way we look at is develop and advice eventually develop a proper advisory business whereby if required a customer should buy all financial products with us and they should get it and they should buy that through proper financial planning so that is a step that we are taking at the moment.

- Madhukar Ladha:** Thank you sir that is it from my side.
- Moderator:** Thank you. The next question is from the line of Vijay from Brianstem Investments. Please go ahead.
- Vijay:** Sir we do have the gross inflows and net inflows number for Q4 is it possible to share the SIP inflows for Q4 and how has been the flows for the current Q1 quarter?
- Sanjeev Rajan:** Q1 quarter it is too early for us to say and secondly that is why we have given the gross inflow it is very difficult for us to distinguish SIP inflows from the other inflows that is why we have disclosed the full inflows.
- Vijay:** Satish ji can you tell me about how the premiums will shape up in FY2021 and where the yields are expected to stabilize because since it is a new business, our yields will locally tilt higher and for the current quarter they seem to get 32% so can you tell me for the current year where these yields can stabilize and how much of premiums are we targeting for the current year?
- Satish Menon:** Vijay as said early we are reluctant to give any guidance Vijay.
- C.J. George:** Just having said that this Covid-19 situation continues and if it continues as serious as it is today there will be some difficulty in times of future business but at the same time what we have seen is we are also seeing some traction for this business some pull effect for this business in the COVID situation. So we are not in a position to make any kind of statement at the moment more because there is uncertainty with regard to COVID situation.
- Vijay:** Okay, no problem. Can you tell me the number of clients in mutual fund separately and insurance which are common to our total brokerage business?
- Satish Menon:** The insurance we have penetrated only few client, in terms of mutual fund clients
- C.J. George:** Sathish always it is a small number we have 10000 clients who have taken insurance who are not among our client list at the moment.
- Satish Menon:** In terms of mutual fund the number of holding client as of March 240000 odd clients.
- Moderator:** Thank you. The next question is from the line of Udit Kariwala from Ambit Capital. Please go ahead.
- Udit Kariwala:** The question I had was on the AMC side the asset management business we were discussing earlier in the call about how the impact has been on account of the decrease in

the TER but in terms of the distributor how are your contracts designed so let us take at a point in time you are getting let us take 50% of the overall commission going forward the proportion how does it change when the yield kind of declines or increases so if you could give some color around that, that will be helpful?

Satish Menon: So this is a AMC analogy that you share a 50%, 60%, 70% of the TER after expenses with the distributor we do not actually get into such broader discussion, what we can say is bigger the size, bigger the commission you can negotiate with the AMCs so what we have seen is over the last one and a half years, then B30 became trail and then TER effect came in from April of last year we are today the 19th largest distributor in the country in terms of total AUM for Equity related schemes and I told you the fourth largest in terms of net inflow for the last full year and for the year before also, maybe better than this. So we have a little better bargaining power than the smaller IFAs that if there are larger distributor than us I am sure they will have little better bargaining power than Geojit so all depends on the size.

Udit Kariwala: Sir that is understood what I was asking effectively is that you would have done some business three years back let us say, so whatever you had contracted then without getting into the percentage would that hold today or does that also change your contract with this, how frequently would it change?

Satish Menon: Sorry, I did not understand your question before. For example if I had sold some mutual fund four years back and I was getting say 0.8% as trail in 2017/2018 there is no TER.

Udit Kariwala: So the question is Sir if I could just give a match credit so let us take the TER at that time was 2% and you were getting 0.8% at that time which effectively burse down to 40% now today let us take the TER come down to 1.5% would you still be getting 0.8% on that business because at that time it was 0.8 or would you get 40% of 1.5 and if not how frequently does your contract change in general with most of the AMCs that is the simple, the idea is not to get into number it is just to get the structure?

Satish Menon: So theoretically the contract changes every quarter, but practically the rates do not change. Rates changes only when either SEBI comes out with the policy or the AUM crosses the threshold limit of the next charge. So say 0.8, after the TER then the TER went down by 20% our 0.8 naturally went down by 20% and this 20% is then negotiated as per the size of the distributor.

Udit Kariwala: Okay got it, this is helpful.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to Mr. Udit Kariwala for closing comments.

Udit Kariwala: Thank you so much the whole management team for taking us through the numbers for 4Q FY2020. I am sure this was very helpful to all the participants in the call. Thank you so much and looking forward to have you back with us. Thank you so much.

C.J. George: Thank you very much.

Moderator: Thank you. On behalf of Ambit Capital that concludes this conference. Thank you for joining us and you may now disconnect your lines.