



**“Shriram Transport Finance Limited Q1FY16 Earnings
Conference Call”
August 3, 2015**



MANAGEMENT: **MR. UMESH G. REVANKAR – MANAGING DIRECTOR,
SHRIRAM TRANSPORT FINANCE LIMITED
MR. S. SUNDER – EXECUTIVE DIRECTOR, SHRIRAM
TRANSPORT FINANCE LIMITED
MR. SANJAY K. MUNDRA – VICE PRESIDENT, SHRIRAM
TRANSPORT FINANCE LIMITED
MR. PARAG SHARMA – CHIEF FINANCIAL OFFICER &
EXECUTIVE DIRECTOR, SHRIRAM TRANSPORT FINANCE
LIMITED
MR. VINAY KELKAR – EXECUTIVE VICE PRESIDENT,
SHRIRAM TRANSPORT FINANCE LIMITED**

Moderator: Ladies and Gentlemen, Good Day and Welcome to the Shriram Transport Finance's Q1FY16 Earnings Conference Call. As a reminder, all participants' 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. I now hand the call over to Mr. Umesh Revankar for his initial remarks. Thank you and over to you, sir.

Umesh Revankar: Good Evening to Everyone, Good Morning to the Investors who have joined from US. I have with me Sunder, Sanjay, Kelkar and Parag to answer specific questions.

Let me start with some comments on developments in the macro environment.. There has been continuous downward movement in interest rates and RBI has effected a third cut in repo rate in the policy announced in June. While future rate cuts maybe at slower pace, we expect impact of rate cuts already undertaken to begin reflecting in cost of funds going forward. Given our 100% fixed rate asset book, we should stand to get some benefit out of this move.

So far the monsoon has progressed well. Even though there was an initial doubt on monsoon being below normal, now in many of the places where the monsoon has reached, it has spread across India very positively in many of the catchment areas, making it reasonably good expectation on the monsoon. As per the initial feedback through media reports, we understand that 26% more acreage of seeds have been sown. So we expect the crop to be higher than the previous year.

Vehicle demand has been quite strong in the first quarter year-on-year and this is the fifth quarter the Heavy Vehicles sales have gone up. There is a growth of approximately 28% year-on-year on Heavy Vehicles. Most of the demand is coming from 31 tonner segment. That one particular segment which has replaced 25 tonner and Replacement demand is very strong. Even the Used Vehicle in 31 tonner is attracting a lot of demand and we have reasonably good growth in Heavy Vehicles portfolio.

Fuel prices have been coming down even though in between once or twice there was increase, overall, fuel prices have come down, helping the operational economics of individual customers. However, the economy is yet to kickstart in a big way. So the freight rates have not really firmed up or the utilization levels have not really significantly moved up. So that is a one small gap still there. But once the economy starts improving and industrial production improving, the consumption increasing, I feel the utilization levels will be much higher and credit demand also would go up.

We believe that government expenditure would start picking from September-October onwards mostly Infra and Road activity, a lot of roads sector awards have been announced, but implementation is taking little time. Even the mining activity should kick start post-monsoon because normally during monsoon, Infra activities and Mining activities do not happen. That should be a very positive when we look at second half of the year.

Coming back to the Results: Net interest income has gone up by 18.9%, that is from Rs.968 crore to Rs.1,150 crore. The PAT has gone up by 4.8%, from Rs.306 crore to Rs.321 crore. There is a slight increase in NPL numbers, mostly due to unseasonal rains in the month of March end and April, which affected the winter crop in M.P., Rajasthan, U.P. and some part of Maharashtra. The crop damage is estimated between 15% to 25% in these areas. That did dent the recovery collection efforts in these areas. Therefore, the gross NPLs moved up from 3.74% to 4.07%. That is the only area we felt that our company did not progress very well. Otherwise, on all the fronts, the progress was quite good. Disbursements were kept at the same amount as the Q4 which is normally peak; Q4 Disbursements are always high. We are able to maintain the same Disbursement level in the Q1 of this financial year which is up from the previous year by around 20-25%. So, overall I feel the first quarter has been quite a good progress as far as standalone company results are concerned.

Coming to the Equipment Finance Business: The Board has approved merger of the business into the parent company so as to exercise better control, leveraging the strong parent network and bringing in collection efficiencies. The initiatives to restore asset quality are progressing well. We are maintaining a strong connect with customers and initial response has been very encouraging. We are confident that we can work with customers to recover dues over the course of the next few quarters.

As we have shared earlier, due to change in dynamics in CE industry, we are re-evaluating our strategy for lending into this sector. We are strengthening our risk evaluation process and also reassessing the asset book mix to identify correlation between assets as well as segregate those assets which are more prone to cyclicity. From a medium-term and long-term perspective, we believe that the Construction Equipment segment remains an attractive opportunity with reasonable degree of overlap with our existing customer base and can add significantly strategic value in terms of diversifying revenue stream and improve overall risk profile.

That brings me to end of my remarks and now I look forward for your questions.

Moderator: Thank you very much. We will now begin the Question-and-Answer Session. The first question is from the line of Nandan Madhiwalla from PPFAS Mutual Fund. Please go ahead.

Nandan Madhiwalla: I wanted to ask, what is our current AUM in the 3-5-year segment and what is the incremental sort of Disbursement we are doing in that segment? Secondly, is this a segment that you see expanding into future or you may sort of expand and then contract as and when the opportunity arises?

Umesh Revankar: This is the segment definitely we championed a year back when the fuel price was going up and people could not afford to buy a new vehicle. But now the fuel price has come down, people can now look into buying either older vehicles or even a new vehicle if the economy is able to give enough business or revenue to the customer. So we do not really stick to one particular segment and the fuel price going down really helps bring older vehicles back into

contention because higher fuel efficiency was one of the reasons for customers to consider upgrading. And if the economy is progressing well, then customers can even buy a new vehicle and run it very profitably because cash flows will be much smoother.

Nandan Madhiwalla: Is it that we would sort of switch between New Vehicle segment and three-to-five-year Old Vehicles depending on the conditions?

Umesh Revankar: Depending upon the customer demand, today, if three-to-five-years old Resale value are going up significantly and customer feels it is better to buy a new vehicle, he can go into new vehicle. So, we support customer who would like to upgrade, whether it is a three-to-five-years old vehicle or a new vehicle, both equally.

Nandan Madhiwalla: Then this would not be a strategic segment for the future, anything like that, it would sort of depend on the customer?

Umesh Revankar: For us Used Vehicle is a strategic and niche segment and people who upgrade from Used Vehicle to New Vehicle is our customer. So, we still keep lending him because he is our customer.

Nandan Madhiwalla: So, what would be our AUM currently in this segment?

Umesh Revankar: I do not have that number separately.

Nandan Madhiwalla: Can I then call back our investor relations and get the number?

Umesh Revankar: Yes.

Moderator: Thank you. The next question is from the line of Mayur Parkeria from Wealth Managers. Please go ahead.

Mayur Parkeria: Sir, a couple of questions from my side; I had even requested earlier at the time of AGM, the same request I will make — Sir, if we can have some information on the Disbursement with respect to number of contracts which we execute in a quarterly period as well as the cumulative then volume number. So, if we can have that as a part of our update, sir, it will help us to understand the mix and the resultant volume number, sir, if possible?

Umesh Revankar: Yeah, we will try to incorporate it next time.

Mayur Parkeria: The second thing is, in respect of provisions and contingencies, where do we now stand in terms of regulations and how do we move ahead on the provisioning norms, and how is the outlook looking?

- Umesh Revankar:** We are moving into 150-days NPL recognition from last quarter of this year, so, first three quarters we will be reporting on 180-days, in the last quarter we will be moving to 150-days.
- Mayur Parkeria:** So the FY16 Q1, Q2, Q3 will be on 180-days?
- Umesh Revankar:** Yes.
- Mayur Parkeria:** Q4 only on 150-days?
- Umesh Revankar:** Yes.
- Mayur Parkeria:** So it will have a one-time impact in terms of that?
- Umesh Revankar:** Yeah, it will have one-time impact.
- Mayur Parkeria:** So, currently, if a new asset is getting into a NPA bucket, are we still recognizing at 180-days or incrementally is it at 150-days or even incrementally also is at 180-days currently?
- Umesh Revankar:** It will be 180-days only till we move into 150-days.
- Mayur Parkeria:** Like currently we are at 4% which is at 180-days, hypothetically if we had to move today what could be the rise which could have come on the 150-days?
- Umesh Revankar:** It is around 1.5% more.
- Mayur Parkeria:** Further to 120-days it would have been?
- Umesh Revankar:** That we do not have right now numbers, we are just looking one step ahead at the moment.
- Mayur Parkeria:** One more understanding on this is when we move to 150-days and this 1.5% or 2% kind of increase which it may bring, on the provisioning, we will maintain the 80% coverage and hence the entire rise which may come in the provisioning on 80% of that will get reflected, it has to be read in line with the provision coverage which we plan, so how it will be?
- Umesh Revankar:** 80% coverage which we are maintaining on 180-days had two components – one is we are recognizing at 180-days little later than the banking system, that is one; and the second one is economic conditions, last 3-4-years economic conditions were not very smooth and therefore the Resale values were lower. So, recognizing economic condition not being good and Resale values fluctuating, we had kept at 80% for 180-days. So, if the economy improves and if you are confident of next 2-3-years, then we need not have such a high coverage because RBI mandates the coverage of approximately 25% only, but we are maintaining at 80% looking at the current economic conditions. So if the economic conditions improves, it can change. And when we move from 180-days to 150-days, since we are recognizing much earlier, then

naturally coverage has to come down. So, this call we will take in the last quarter depending upon the environment and economic conditions.

Mayur Parkeria: We are on track to meet the Rs.75,000 crore AUM for this year? We had mentioned target in end FY16 of around Rs.75,000 crore AUM we wish to achieve.

Umesh Revankar: We initially indicated 10-12% AUM growth and also I had commented that if the monsoon is normal, we should touch 15% or cross 15% AUM growth. So, if we are reaching 15% AUM growth, then we should be at Rs.69,000 crore standalone basis.

Mayur Parkeria: If you have made any remark on the Shriram Equipment consolidation part, you mentioned about the situation which is prevailing there but purely in terms of accounting and purely in terms of results and declaring the results, I understand we are in a process of merger, but we could have at least give management estimates, because it is going to be three quarters by the time we see the results?

Umesh Revankar: The situation we are reading like this; first, we need to connect with each and every customer and understand the situation and find out the possibility of the collections as much as possible. So, that is one. Second option is if at all you really want to attack and have P&L every quarter and show good results, then the only option would have been the repossession of a lot of assets which is not a desirable condition at all because repossession leads to two undesirable byproducts, one is idling of a machinery in our yard because the present condition locally is such that the utility of the machines are not really high because the monsoon and also lack of work and we expect the Infra activity to begin from September-October. Already, some states have started the Infra activity but not across all India. So, we felt that instead of undertaking repossession of equipment and selling them and trying to show better results or P&L improvement, we prefer to encourage customers to pursue opportunities which enhances the probability of regular recovery as much as possible. So that is the reason we focus right now on 150-day above bucket and rest we have managed normally for collection. And 150 and above also, we are now talking to each of the customer and find out a possibility of collection and if collection is not possible, then the repossession. So, last two or three months exercise, we have not really come across customers where we need to really urgently repossess. Everyone is willing to pay the moment the work starts and their bill gets cleared. So, we feel that we have enough time to collect the money and the monthly collection has been reasonably good so far. At 150-days above, the portfolio is around just above Rs.1,000 crore, which I feel next two or three quarters if you are able to focus and collect you should be able to come to a reasonable level by the fourth quarter by the time the merger will be completed.

Moderator: Thank you. The next question is from the line of Devang Modi from Equirus Securities. Please go ahead.

Devang Modi: Sir, could you provide some flavor on how the cash flows for the truck operators are moving in the past quarter?

- Umesh Revankar:** One thing is the margins are reasonably good for the truckers, they are able to make money. The only thing is economic activity is not being great. The utilization of vehicles are not at 100%, it is around 80% to 85%. So, if the economic activity speeds up, I think utilization level will go beyond 90%, maybe in the second half of the year, then we can really see a good cash flow for the truckers. Right now, cash flow is not great.
- Devang Modi:** Sir, in the current kind of margin spread that is there, what kind of utilization levels would be required for us to probably see a comfortable DSCR on the loans that we have given?
- Umesh Revankar:** Today's utilization level is comfortable; 80% is really comfortable because the margins are better, fuel price has come down. So if cash flows are sufficient to pay him 1 installment or 1.5 installment, but if you ask me whether he can pay his arrears totally, it is not possible because it will take some time.
- Devang Modi:** So the incremental stress whatever we are seeing in our portfolio is only due to the possible migration towards 150 DPD or because we also see on the standalone side that our GNPA's have gone up even in this quarter. So what is this attributed to mainly?
- Umesh Revankar:** GNPL have gone up in the last quarter mainly due to the unseasonal rain and damage to the crop in certain pockets of India, that is M.P., U.P., Punjab and Rajasthan. If not for that, I think we would have maintained the previous quarter's GNPL.
- Devang Modi:** What are the total consolidated provisions and PAT after factoring the entire numbers, if you can just report any indicative range for these two numbers?
- Umesh Revankar:** Sunder, can you answer this?
- S. Sunder:** Because of the merger process, we have just made a standalone number. So that number already I have mailed you, but consolidated number we do not have.
- Devang Modi:** Basically, consol, GNPA's will be Rs. 1,000 crore plus standalone GNPA, is that the right impression?
- S. Sunder:** You have the GNPA for the standalone number and Construction Equipment we have already told you around Rs.1,000 crore plus on 150-days.
- Devang Modi:** Just on the provision coverage ratio, what kind of a number would we be targeting when we move down to 150-days or 120-DPD, any idea on that?
- Umesh Revankar:** Coverage ratio depends on the economic conditions and resale values of assets. By the time we move into fourth quarter we will re-evaluate our coverage ratio, then accordingly, the Board will direct us.

- Moderator:** Thank you. The next question is from the line of Saurabh Kumar from JP Morgan. Please go ahead.
- Saurabh Kumar:** Can you just help me with your total value of Disbursement growth for the CV business this quarter?
- Umesh Revankar:** Total value would be Rs.9,234 crore of which New CVs is Rs.776 crore and rest is Used.
- Saurabh Kumar:** You mentioned that the pickup which is seen in the CVs basically on the very high Commercial Vehicles. I thought we were essentially mostly into the 8-tonner markets. This very Heavy Vehicles will be essentially with fleet operators, right, would not be in second hand, we will not see benefit of that?
- Umesh Revankar:** No-no, not exactly. Only the tractor-trailer part are with fleet operators, but 31-tonner is nothing but earlier 25-tonner and 25-tonner was nothing but earlier 16-tonner. Individuals are also operating that and fleet operators are also operating that category. So, it is not that only fleet operators are having 31-tonner, so everyone is operating 31-tonner, it is more of a common vehicle which is used by everyone in all applications.
- Saurabh Kumar:** Is the yield on these vehicles higher or lower than your portfolio yield or...?
- Umesh Revankar:** If you are financing New, then it will be lower, but if you are financing Used, then it will be on par with average.
- Saurabh Kumar:** Yield on 31-tonnes will be on par with your average yield on Used part?
- Umesh Revankar:** Yes.
- Saurabh Kumar:** Just on this CE business, so last quarter we had said additional Rs.400 crore would slip into NPLs in first quarter. So, is that the number on CE business consistent with that commentary which you made last quarter or?
- Umesh Revankar:** That is what I said. That was the estimate of 150 dpd shared last time that is included into the number we have just shared.
- Moderator:** Thank you. The next question is from the line of Ajay Sharma from Advent Capital. Please go ahead.
- Ajay Sharma:** Sir, you stated than in CE business the NPA is Rs.1,200 crore, that is 150 DPD. What is the AUM in CE business and what is the bill collection efficiency?
- Umesh Revankar:** The AUM is around Rs.2,700 crore and collections are quite good; collections, I should say, April was little dull but it has improved from May-June-July, so the collections are very

consistently more than Rs.110-120 crore and June was very high with Rs.135 crore. So, on an average we should be able to maintain this run rate.

- Ajay Sharma:** For CV, what is the average repo stock holding period during Q1 this year as compared to the earlier year? What was the repo stock number as at the beginning of the quarter and as at the end of the quarter?
- Umesh Revankar:** Repo rate I cannot say, our repo rates are always less than 1% of the total business, so I do not have that kind of an accurate number on repo and nowadays the repo is coming down because the utilization levels of vehicles are high, hardly, we have any repo.
- Ajay Sharma:** There is no repo stock at all?
- Umesh Revankar:** Some will come and go within 10-15-days customer will lease and go. So that also happens. It is not that everything will be seized and sold. So, customers they will collect it back also.
- Ajay Sharma:** So how much of the repo stock is getting released to the same customer during this particular quarter?
- Umesh Revankar:** Normally, 30-40% of the stock gets released back to the customer after paying the full amount.
- Ajay Sharma:** How have you seen the repo stock prices moving – 60% is now getting sold to other people, so how has been the movement or realization in the repo stock?
- Umesh Revankar:** Resale values are firming up, it has improved in the last six months, and the resale values have really improved.
- Moderator:** Thank you. The next question is from the line of Sonal Gupta from UBS Securities. Please go ahead.
- Sonal Gupta:** Just coming back to the comments you made on unseasonal rain impacting your NPA levels. Which segments are you seeing stress because of these things because you have a low exposure to Tractors, is it largely from Tractors or is it coming in some other segments?
- Umesh Revankar:** Basically, what happens is when the local economy is disturbed, it affects everything. Imagine, we are in M.P., we have a Tractor portfolio, passenger vehicle portfolio, LCV portfolio, they are all linked to rural economy. So, you cannot single out any particular segment. So, when there is a lower income, it impacts all connected livelihood of all customers who are there. So, in this particular belt, we had collection pressure but things are improving now and this quarter good rains have improved the sentiments of the people.

- Sonal Gupta:** No, sir, because I am just trying to correlate with the comments you made earlier that utilization levels on the CV side seem to be reasonable, so these pockets you are seeing rural activities weak, that is why again... ?
- Umesh Revankar:** That was unseasonal rain impacting the standing crop, that is different as that happened in April-May and impacted cash realisation. Currently, what happens is the regular monsoon is progressing well, which will help farmers overcome the setbacks more easily, they will go back into Agri more aggressively. These are all temporary situations that keep occurring in micro markets across India all the time.
- Moderator:** Thank you. The next question is from the line of Dhawal Mehta from Somerset Capital. Please go ahead.
- Dhawal Mehta:** You made an initial comment about lower cost of funds as we go ahead and you mentioned that the entire benefit of the RBI cuts has still not come through. Sir, could you just elaborate on that a little bit in terms of where do you think cost of funds would be say for the second quarter, just to get a sense of how much improvement we will see going forward? Another related point on this is that you had a rating upgrade during this quarter. How will it benefit you in terms of cost of funds going forward?
- Umesh Revankar:** I would like Parag to answer this question. Parag?
- Parag Sharma:** Around 25% of liabilities are linked to bank base rates; bank base rates have slightly come down, so that benefit will be there. Incremental borrowing we are looking at bonds; bond yields are quite stable, they are not coming down drastically. Coming to the rating benefit, yes, CRISIL upgrade, that definitely helps, but the differential between AA and AA+ is not very-significant though there will be some benefit definitely, yes. We were always rated AA+ by India Ratings and CARE. Since whatever benefit was there in the bonds was already taken. But yes, bank base rates coming down will help. But, 25% of the book only and incremental borrowing, we feel by year-end the benefit will be around 20-25 basis points in the cost.
- Moderator:** Thank you. The next question is from the line of Rakesh Mookin from Barclays. Please go ahead.
- Rakesh Mookin:** I just wanted to check on the Construction Equipment business. Last quarter we had kind of indicated that between the 150 and 180-day bucket there were around Rs.400 crore of assets over there. So if you could just kind of indicate on how that has kind of moved during the quarter?
- Umesh Revankar:** Including that only I have given you a figure on 150 dpd. We are seeing a fairly good collection in 150 dpd also and in normal also. So collection efforts are there in both.

- Rakesh Mookin:** Would it be possible for you to indicate whether this 150-180 dpd number of around Rs.400 crore remain stable or how that has kind of moved?
- Umesh Revankar:** A little upward movement is there.
- Rakesh Mookin:** It is fair to assume that the additional Rs.200 crore that we have seen because of the Rs.1,000 crore number, it will all be in the 150-180-day bucket right now?
- Umesh Revankar:** There is some movement there but some collection also is there, some resolution also is happening. So, everything is happening. Only thing is once the activity improves, then the resolutions and recovery will be much faster. So second half of the year we will definitely see a good improvement in some of these metrics.
- Rakesh Mookin:** Secondly, I just wanted to check, till the last quarter on Equipment Finance business, you were running a provisioning level of around 60%. So, once the merger takes place, would you kind of take it up to the levels that we are seeing for the standalone business on CV side right now?
- Umesh Revankar:** No, we would be looking into the coverage ratio for the entire company looking into the present economic conditions because I believe economic conditions and environment will be much more positive and very good and resale values which were depressed in the last 2-3-years have already started moving up. So, when the resale values move up and the economic conditions are good, the coverage ratio can be totally different, it can come down significantly is what we believe. But, we need to really look at the situation at that moment when we take a call. In the fourth quarter the Board will take a call on that.
- Rakesh Mookin:** In your experience, is the loss given default on the Construction Equipment different from that of the CV, whether it will be materially better?
- Umesh Revankar:** In Construction Equipment, our experience is little less but as of now it looks it is almost same, it is not really different, but in Construction Equipment since we have done mostly New Machinery Lending, there could be some difference between how the CE and CV behave but I personally feel right now whatever our experience is that it is around 30% loss ratio on sale of a machinery. So, it can further improve, we are not really sure about it. But I feel by the fourth quarter we will have some realization on that.
- Moderator:** Thank you. The next question is a follow up from the line of Mayur Parkeria from Wealth Managers. Please go ahead.
- Mayur Parkeria:** Sir, just one question I had on this provisioning again. You indicated that as a company you are making efforts in terms of educating the customers with respect to the change in norm. So, what I was just trying to understand is there are two things – one is on the regulatory side that we have to move from 180 to 150 then to 120 and so on. But on the business side, if you can just throw some light as to how are the cash cycles of the customers and is it really possible,

means educating there is a willingness to pay but is it really possible in terms of their business profile that they will be able to pay in 90-day, 120-day situation from their customers and will it be able for them to service the loan in that manner? More on the business front, how it currently is and what kind of changes will the business have to do for them to able to service our loan?

Umesh Revankar: These are all the business people, they will adjust to this situation. So, they will find the application of the asset or the utilization of the asset or change their business if required and also switch to new geography if required. So, the business adjustment will be done by individual operators according to the need. We need to educate them. Ultimately, when you have a cash flow daily or weekly how you keep your money aside for paying your installment and how much you have to spend for home is something will be decided by him. If he is able to bring some discipline there, then definitely he can pay. So, our job is to make him realize that we can give him less time than what we have been giving earlier. So, communication has to be continuous, not one-time. So, our field officers are meeting customers every month. So, the communication will go to customers regularly and make him more disciplined in payment.

Mayur Parkeria: Will we have to tweak our model in terms of the number of executives which we may have to put in for or technological change to see to it that the weekly or a daily cash flow, that comes to us at a prior charge rather than he be able tonot in terms of forcefully but any kind of which facilitates him, so either on a technology front or a number of people which we may have to put in for more, apart from the qualitative aspect of educating, what tangible things which we may have to do, if you can add some color on it?

Umesh Revankar: No, we have to do everything what you have mentioned, in fact, we have already put call centers, we are using technology through mobile communication aggressively and also number of visits we are trying to increase and also trying to bring him on digital payment so that he can pay the payment through wallet. All the efforts will be there. So, as the technology cost come down and become widespread use, then reaching him will be much easier. So, I feel next two years there will be a big change in the way the payments are collected and money is transferred. So there will be a significant improvement in overall collection.

Mayur Parkeria: You believe the process will be much smoother than what we normally perceive it to be?

Umesh Revankar: Definitely.

Moderator: Thank you. The next question is from the line of Sneha from Shubhkam Ventures. Please go ahead.

Sneha: Sir, wanted to know what is your outlook on margin front as well as securitization front?

Umesh Revankar: Margins are quite same, it has not really changed, it is only the product mix gives us a little higher margin and more the rural credit better will be the margin. Securitization...the demand

is already there, we have already done a few deals in the first four months. So we expect securitization level to be little higher than the last year.

Moderator: Thank you. As there are no further questions, I now back to hand the conference over to Mr. Umesh Revankar for closing comments. Thank you and over to you, sir.

Umesh Revankar: Thank you for joining today's concall. We are quite confident that with good monsoon and expectation that the government is likely to activate its machinery in implementing government projects, the second half of the year looking quite bright. I conclude today's meeting and wish you all the best.

Moderator: Thank you. Ladies and Gentlemen, on behalf of Shriram Transport Finance, that concludes this conference call. Thank you all for joining us and you may now disconnect your lines.