"Muthoot Capital Q1 FY2019 Earnings Conference Call"

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Moderator: Ladies and gentlemen, good day and welcome to the Muthoot Capital Services Limited Q1 FY2019 Earnings Conference Call, hosted by Antique Stock Broking. 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. Digant Haria from Antique Stock Broking. Thank you and over to you Sir!

Digant Haria: A very good evening to everyone. Firstly apologies for this delay on the call. We now have the management team with us who is represented by Mr. Vinod Panicker and Mr. Madhu Alex. Without wasting anytime I will straight over hand it to Mr. Vinod Panicker who can take us through the performance for the quarter and then Madhu can tell a little more about how the business looks and what kind of things are they seeing on the ground. Over to you Vinod Sir!

Vinod Kumar Panicker: Good evening friends. Thanks for coming on the call and wanting to listen to us and understand from us on how the Company has done in the last one quarter. The quarter was excellent in a sense that we did close to 485 Crores of disbursement, taking our total loan book close to 2367 Crores, which is roughly about 31% growth versus the same quarter last year in terms of disbursement and in terms of loan book the growth was about 52%. This actually led to an income of about 124 Crores from about 80 Crores that we did last year showing a growth of about 56%.

The finance expenses actually were much lower than the growth in the income. It grew by 33% from about 28 Crores it went over 37%. This was on account of two factors; one, is we were able to bring down the finance cost from about 10.1% that we had in the first quarter of last year to about 9.3% this quarter, a drop of about 80 BPS on a much larger borrowing, which helped us a lot and number two definitely something which all of you are aware of the QIP that we did in November which brought in about 165 Crores, which does unfortunately have any cost on the P&L.

The operating expenses grew by about 32% because it comprises some bit of fixed cost and some bit of variable cost so it grows in line with the growth in the revenue or the AUM. Therefore it grew from about 33 Crores to about 43 Crores. The loan loss provisioning we actually increased it from 9 Crores to about 11.8 Crores, the growth is about 29% versus same quarter last year, but this 11.8 Crores is including an additional provision of about 3.5 Crores that we have done in the current quarter.

If my friends can remember, last time when we have all on that call for the Q4 we had said that we have taken an additional 4 Core provisioning last year in the fourth quarter and the intension was to over the next two years move to a 50% PCR, we achieved 35% last year, now we have moved to 38%

and we intent to take something on a quarter-on-quarter basis and meet the commitment over by FY2020. All this led to a bottomline of about 20.6 Crores profit versus about 6.1 Crores that we did in the same quarter last year.

The comparative number versus Q4 FY2018 of PAT was about 21.5 Crores versus 20.2 Crores and this quarter it was 20.6 Crores we have a drop of about 4%, but as all of you are aware Q4 is not comparable with Q1.

On the Opex front, we have maintained at sub 50% level going down from about 64% that was there in the same quarter last year. Loan loss provisioning including the additional provision was about 2.4% while if one removes the 3.5 Crores extra it comes to close to 2%.

Return on average AUM is 4.2% it was about 1.9% last year and earnings per share is about Rs.12 a share.

Maybe I will now hand it over to Madhu that he is to give you a brief about once how the operation was in last versus the current year.

Madhu Alexiouse: Good evening friends. As you could see our Q1 figure is somewhere close to comparable figure to Q4 quarter in terms of topline and in terms of bottomline. One of the key things that happened in Q1 is that in terms of the numbers while the market grew by about 15%, we grew by about 31% almost double the market growth we were able to register and it is a very robust thing to happen in Q1 because Q1 is the quarter where the number challenge always remains.

With the increased total industrial volume that is the total sales up to the two-wheeler in the country, we were able to improve our market share compared to Q1 last year and we are at around 1.5% in Q1, which is a good number with an increase in the sales by about 15% compared to Q1 last year. I think this is one of the good indicators for the topline growth and as we get into Q2 where we have gone ahead of us and there we have a very strong South and especially Kerala is very strong and as we enter festive season in Q2, we are very hopeful that we would definitely better our current growth rate. So as the festive season starts this Q1 boost that we have got help us throughout the year.

Coming back to the first in terms of the top four or top three companies, Hero Honda and TVS we have registered almost a much higher growth compared to their growth. For example, Hero grew by about 14%, we grew by about 28% in Hero models. TVS grew by 9%, we grew almost 40% in TVS, in Honda, Honda grew by 15%, we grew by 20%, so across all brands we have shown a very robust growth, which means that our spread on the spread on assets as far as various brands is concerned is also uniform and we are increasing. While I say all these things our expansion plan last when we entered the year I was telling that we would like to expand to another 80 centers across the country, almost 50% of the area we have already entered where we have started the business. Of course we will see better results in also the Q1 but Q1 definitely we have been able to establish new areas. Incidentally the business from our flagship company, Muthoot Fincorp Limited they have about 3500 branches, about 2500 branches contributes business to us as of now in Q1. The growth was about 40%. There was a robust contribution from their side, which also helped us keep our operating costs at very minimal level.

We have seen growth in the dealer touch points. We are currently at about 7400 dealers touch points this quarter that is Q1 we added about 500 touch points so that is again a very good thing for us because while we expand outside south it is very important to that we are able to perhaps deal with the other market players and we have been able to successfully do that. Distribution perspective, we are very strong and in terms of the expansion plan that we were telling last one year we are back on that.

In terms of digital initiatives, we were talking about end-to-end digital process for sales whereby we were telling that we would be able to disburse the loan within one hours time, one-and-a-half hours time. We are ready to launch that by September 1. We have been able to launch our customer app. Besides lot of other digital initiatives that were to take shape up in production stage and by September 1, 2018 we will be up and running. So this festive season we are really well placed to handle a bigger volume. Q1 was a quarter where we have demonstrated and team has been able to demonstrate that we were able to get our numbers right.

In terms of risk perspective, all these digital processes and especially our scorecard and sourcing app that is one key initiative that would come in to play whereby we will have a very strong risk management process while we do the business, which would ensure the quality is strong while we aspire to do bigger numbers, higher numbers, the process itself is getting robust in terms of risk management and risk control processes.

Our analytics is working on early warning figures, which would further strengthen our risk management as far as our portfolios are concerned, so on that aspect also there is lot of work happening so while we look at topline, bottomline there are other background activities that is happening to ensure that we have a very robust quality of portfolio that we develop and returns are in sync with that. So this is from my side and I think Vinod if it is okay we can leave it open for the Q&A. Digant over to you!

Moderator: Thank you. Ladies and gentlemen we will now begin the question and answer session. The first question is from the line of Kashyap Zaveri from Emkay Fincap. Please go ahead.

Kashyap Jhaveri: Very good afternoon and congratulations for greatest numbers. I have one question, once you report numbers according to Ind-AS, what could be the impact on our P&L balance sheet and capital adequacy eventually?

Vinod Kumar Panicker: We are in the process of reassessing it. I think maybe next month or something we can give you a better answer on this because our Ind-AS is applicable to us next year, not this year because our networth is below 500 Crores so we would be looking at it for the next year only but we will be starting our work immediately. We have decided to after first quarter so we will be starting on it now.

Kashyap Jhaveri: That was the only question from my side. Thank you very much Sir.

Moderator: Thank you. The next question is from the line of Jatin K from GS Investments. Please go ahead.

Jatin K: Congrats on a good set of numbers. My first question is would be now rates are rising in the economy so are we seeing any pressure on our side?

Vinod Kumar Panicker: By God's grace there has not been much pressure as of now but I am sure that we are not ignoring too, it will be catch up at sometime of other but till the time it does not come we are happy about it. We should be able to even if it comes up, we will look at other sources of financing and try that the costs does not go up significantly.

Jatin K: So any rate hike that will happen or is happening in terms of 2050 BPS or do we plan to pass it on or how do we plan to ensure that?

Vinod Kumar Panicker: As far as 2050 increase which happens in one source of fund, we will definitely look at it, so that we can control that. If nothing else can be done, we will pass it on, but I do not think that is a thing we are looking at it right now.

Jatin K: In terms of Muthoot Fincorp they have 3500 branches so we are using around we are getting business from 2500 branches of them?

Vinod Kumar Panicker: Yes.

Jatin K: Sir can you elaborate on that as in customer say walks in, in Muthoot Fincorp branch they are asked for loan, then the branch pass that the info to us and exactly how does that happen Sir?

Madhu Alexiouse: Muthoot Fincorp they cross sell lot of products besides their core products, which is gold loan and SMP loan. We have also entire digital process, the access to which every branch has and they can log in once the customer with them and customer is convinced that they should take the loan from Muthoot Capital Services, we ensure that the branch is able to log in their cases with relevant papers and he can upload that. We are able to give approval in less than 30 minutes to 1 hour time and basis approval the further documentation everything happens at the branch level by the branch executive and end-to-end if it is handled by them then we handover the delivery order through a mail or directly to the dealer and the customer goes and takes the delivery of the vehicle. So in this entire process, the involvement of Muthoot Capital is minimal and it is a digital end-to-end process, which is one hour, one and a half hour right now would with our new digital and sourcing app from September 1, 2018 this would not be more than 30 minutes or 45 minutes.

Jatin K: Great to know Sir and in terms of growth we expect this Muthoot Fincorp why? My next question would be in terms of growth, do we expect faster growth via this Muthoot Fincorp distribution or we expect similar kind of growth that the company wants to grow at?

Vinod Kumar Panicker: Growth from Muthoot Fincorp is we look about 45% to 50% growth from Muthoot Fincorp branches and if you look at the growth factored that has been activated it is about not more than it will be 2500 or 2600 so the headroom is huge there actually and this is totally not comparable to what market does and I always believe that fincorp growth is much ahead of market always because market and even our competitors we are totally dependent on dealers. Their dependence is on dealers and they will focus more on urban areas or middle areas where not much of investment is needed as far as branches are concerned so here is an option where I can go across the country 3500 locations and do business and every branch has around 50 to 60 walk ins daily so that is the potential that that branch can actually generate for us. So we look at, at least 45% to 50% growth from this channel.

Jatin K: That is great to hear Sir and in Q4 call if I recall correctly you said that we are thinking about new products also and you will give brief to investors in next two concalls so any decisions on that front?

Vinod Kumar Panicker: We are piloting in our pre-loan car product. We are piloting it in Kerala. By September we want to be in at least top 15 in the country. The product is like this that **(audio break) 20.25** or we see that between 3 lakhs and 7 or 8 lakhs is the value of vehicle that though they are going to afford and this is the product that we have developed. Primarily Muthoot Fincorp branches would be able to sell it because they have the largest number of walk-ins, they have the set of customers within which they have great relationship, which we are able to manage and convince the customer so this is how it would move. I may not go to market very aggressively and get these products, but I would be very happy to service my existing customers, we already have a very good relationship and there we were confident that these are the right people whom I can lend and I will get the money back and so currently the pilot is in Kerala and we will spread out to other ten states in next three to six months so that is the plan right now. If you are asking me what is the number that we are putting on that as of now we are not putting up any number on that because we want this to be a robust model, digitally driven model maybe around Q2 or the once we connect from H1 call maybe around that we would be able to give you much finer details on this.

Jatin K: Sure. That is it from my side. Thank you. All the best.

Moderator: Thank you. The next question is from the line of Pranav Awsar from KSA Capital. Please go ahead.

Pranav Awsar: Good evening Sir. I wanted to know, can you share urban versus rural split if it is possible how much of your demand is coming from urban locations versus rural locations? Broad figure is okay.

Vinod Kumar Panicker: Broadly I can tell you. Approximately 60%, 65% from Tier III and Tier II cities and balance comes from the bigger cities.

Pranav Awsar: Fair enough so around 60%, 65% from Tier II Tier III and also have you seen a trend like more number of people in the rural or Tier II households opting for more than one loan say two or three two-wheelers in the same family or number of customers in the same household are you seeing increasing trend or anything like that?

Vinod Kumar Panicker: As of now the replacement cycle is where we would have the focus whereby the replacement cycle should be three or four years or even five years, it is coming down so it could be three years so all these customers who are doing a good rating with me I have the opportunity to give them a top up loan or another two-wheeler loan so the trend would come to one loan over and then the next loan.

Pranav Awsar: What would be the percentage of such replacement customers Sir?

Vinod Kumar Panicker: It is too early as of now because under the replacement cycle what I am saying here is not a very old phenomenon. It is last couple of see how around this year we will be able to tell, but if we have a very good base where we do top up loan to customers so that is a good indicator in the sense that lot of customers come back to us for their second loan.

Pranav Awsar: Great. Thank you Sir. That is all from my side.

Moderator: Thank you. The next question is from the line of Kashyap Jhaveri from Emkay Fincap. Please go ahead.

Kashyap Jhaveri: Thank you very much Sir for another opportunity. Just wanted to draw your attention to slide #14 in the presentation, on NPL movement. If you look at the fresh slippages during the quarter they have degrown at 24.5 Crores after lying low at probably mid teens or lower than that also for last many quarters any specific reason why this has jumped up so much?

Vinod Kumar Panicker: Kashyap, good that you raised this point maybe for all other investors also it will be a good one. Q1 if you look at it, do not at the other quarters, look at Q1 on a quarter-on-quarter basis, Q1 is normally a very bad quarter after a robust March, February-March where the correction is at the peak normally people relax a bit in the month of April and that relaxing actually takes toll, the delinquencies to peak in that month and then in the next couple of months, you spend you spend to actually bring it down, so in our case also you mentioned about slide #14, go to slide #16 and #17 there you will find that April was bad, but then it got recovered in the month of May and it worsened a little bit in the month of June again. So we see the current quarter and the next quarter, the quarter and the next quarter to be the causes where this would be pulled back and like in the previous quarter from a 96-odd Crores industry in Q1 last year, it came down to 87 Crores, we see that kind of trend happening in the current year also so I think my request is not to be too much perturbed about one-half spike. That is the only request from us.

Kashyap Jhaveri: Let us say if I look at Q1 2017, Q1 2018 and it is really nice of you to give such a long history actually so that is about 13 Crores in Q1 2017, 16 Crores in Q1 2018 for the time being I am leaving aside the policy change, NPLs and that rising to about 24 Crores that still a pretty sharp jump if I look at versus Q1 of last year also, if I were to look at full year basis then how would you assess the position?

Vinod Kumar Panicker: Between Q1 2017 and Q1 2019 the loan book has more than doubled so these are absolute numbers that we are talking about. What we are saying is we are committed to bringing it down. I am saying that we have in the past committed and achieved things and then give us this quarter and maybe one and a half quarters to bring it down.

Kashyap Jhaveri: Thank you very much Sir.

Moderator: Thank you. The next question is from the line of Dhaval Gada from Sundaram Mutual Fund. Please go ahead.

Dhaval Gada: Sir congratulations on great set of performance. I just have couple of questions; firstly on the borrowing cost, I remember, someone highlighting it earlier as well just your thoughts on what are the strategies that we will adopt during a course of year and how much would you think one should look at borrowing cost increase in the rest of the financial year? And second related question was on bank loans what is our reset? Is it one year reset or six months how is it just of large part of the bank loan book?

Vinod Kumar Panicker: On the first point, on the cost we have not seen any major cost increase, in fact it has actually gone from 1 paise versus the preceding quarter, while bank cost has hardened a little bit in fact some of the banks have increased as I said 10 paise, we have been able to reduce our overall cost mix that we have in fact what we have done is we have done a bit more on securitization, post the QIP from friends like you we could actually get in a lot of CPs and that has all helped us to reduce the pricing. Going forward, we expect things to harden and I am sure that it will not remain the way it is and the costs will definitely go up. We hope to look at two or three things, securitization is definitely one thing that we plan to do. We did about two this quarter. In fact with interest cost of about 9.03% or 9.06% I think I would say very low compared to our overall average cost number one, number two is we land the options that we have one another two deposit taking NBFCs in the country and we hope to use that to our advantage and collect the money from the public at a cheaper rate so these are two things and last but not the least recently we have got upgrades from CRISIL, we are sure that will help us to a little bit at least in our way forward.

Dhaval Gada: Just following up on this public deposit option is it something that we have a good customer base as well on the two-wheeler side? Is it something that we are seeing as a cross sell or I mean or is it how are they approaching this opportunity Sir?

Vinod Kumar Panicker: Dhaval, I will just repeat. It in case of public deposits we are one of the few NBFCs, which are permitted to take public deposits, and we are permitted to take public deposits in the State of Kerala. In the State of Kerala Muthoot is a household name and if we push it we are fairly confident that the people will be very keen to come first and I would say they invest their money in public deposits. So that is something which we are looking at from this current quarter and currently we have got roughly 75 Crores as public deposit and we hope to increase this substantially. With a networth of close to 400 Crores, we can collect public deposits of up to 600 Crores 1.5 times of the networth. So we are looking at aggressively pushing that in the current quarter.

Dhaval Gada: Sir just lastly on new products, I missed actually Madhu's comment here so what exactly is the plan here and also you in the last call I remember highlighting about couple of new sourcing channels as well just if you could highlight any update on that front that would be helpful?

Madhu Alexiouse: On new product what I mentioned Dhaval is we have launched this product as it pilot in Kerala and we would spread out to 10 centers, 10 centers as a pilot and I said that I am not quoting any numbers right now because we are piloting. It is a new product. We are predominantly highly retail finance oriented organization. When I say pilot we are really studying it from all aspects now the customer behavior aspects, the risk aspect, the collection aspect, the entire process, plus we have our new digital platform, which is in place we will like to do this through that so there is lot of work is happening so that we have best of the process and best of the quality portfolio. So around Q2 is where we will be able to give you some refined numbers, what is it that due to this year and next year and things like that, but we want to be very sure on from risk and process perspective. On the new channels that we have been discussing one of them was franchisee. So I do not want to speak much on that in this particular call. We can talk on one-to-one but let me tell you that this particular channel lot of participants are approaching us for doing business with us so that channel is open. That was again a pilot, which we have done successfully and that pilot is a success and going forward we will have more franchisees working for us that much I can tell you, but how it was and how it is different from the market it is something, which I would like to interact one-to-one and give feedback because this is something very unique that we are doing in the market.

Vinod Kumar Panicker: Dhaval just wanted to touch upon one more thing. You know that when we have interacted in the past, we have always said that we do not put out a number unless we are 100% confident about it. So we have bee putting up an estimate and falling back down, so we do not intent doing that, so we would once the team structure is stabilised, we could then start giving estimates for that.

Dhaval Gada: Fair point Sir. So we will catch sometime in the call. Many thanks and all the very best.

Moderator: Thank you. The next question is from the line of Shweta Daptardar from Prabhudas Lilladher Private Limited. Please go ahead.

Shweta Daptardar: Good evening Sir. Congrats on great set of numbers. Just taking queue from the previous question Sir you also mentioned in the previous concall that you would be pilot running a gold backed two-wheelers enhancing project especially in the hinterland markets so how is the progress there?

Vinod Kumar Panicker: We have launched two products, two schemes; one is gold backed 100% finance scheme, which is called Smart Plus whereby a customer who does not have a margin money can come with gold and pledge that gold in the branch and take a two-wheeler's value to that extent and then we have launched one more scheme where we call it Shape A Track. It has been piloted in Kerala. Shape A Track is a product where if there is a customer who has got it CIBIL default or for some reason he is not able to get funding from the market, we tell that customer that we will fund the two-wheeler so there is a predefined initial payment that he need to give plus predetermined ex-grams of gold dependent on the vehicle he has to give that as a pledge and we give two-wheeler loan to him. The objective of this scheme is that we tell the customer that you take loan from us, repay as well and shape your track back so that in future you become a bankable customer and in CIBIL score you improve your scores and have a track record with us so that in future you can take other loans so that is what we are trying to do.

Shweta Daptardar: So what is the current size I mean too early to ask?

Vinod Kumar Panicker: Really it is very too early to ask because we have launched it in the month of May and we are still educating customers in our customer app we are trying to build that so that more and more customers can actually visit the branches.

Shweta Daptardar: Sir just one more thing so in previous quarter you also mentioned your credit cost guidance stands at 2%. Now coming to this quarter number excluding the additional provisions credit cost is standing at 2% so any change in guidance going forward in the fact that even PCR should improve further?

Vinod Kumar Panicker: The credit cost I have given a guidance of 2% stands today. It can only be better than that.

Shweta Daptardar: Just one last question, if I may squeeze in. If I look at your lose on sale of repossessed assets so 3.8 Crores kind of number has remained on the higher side for like say past three quarters now?

Vinod Kumar Panicker: No, we do about 800 odd vehicles a month. We try to ensure that we do not cross the limit so it has been in that range. In fact this quarter is a combination of vehicle, which has been sold. The loss is at about 3.4 Crores. We have witnessed some vehicles and we have made a provision against the likely loss of about 60 odd lakhs so that is about 3.8 so it has remained there and it will continue to be in that range. In fact we expect 15 to 18 Crores kind of it in the full year. This is included in the 2%.

Shweta Daptardar: Thank you. That is all from my side.

Moderator: Thank you. The next question is from the line of Siddharth Purohit from SMP Global Securities. Please go ahead.

Siddharth Purohit: Sir over the last couple of years some of the captive NBFCs of the OEMs have also started kind of scaling up so given that impairment how could we kind of try to penetrate more into the dealer networks and how the competitive intensity seems to be panning out can you give some idea about it?

Vinod Kumar Panicker: I have three pieces to it. One how the industry would pan out; second is what is the value proposition that we bring onto the table of a dealer, and he should do for us and third is how actually this captive finance companies are actually progressing. So on the first piece currently of the total sales that happens about 35% of the total sale is getting financed. We expect this to grow up because the cost of vehicles could go up given the regulatory changes that would come in Euro IV, Euro V all these, the engine has to change, the braking system has to change, so lot of new technology need to come into, which means the cost escalation of close to 10000 to 12000 from the current cost of these models. So naturally the requirement for finance is going to go up. We expect this to be more than 40% of the total change would be funded by finance companies. So there is a huge headroom that would get developed in next couple of years and if focuses financing only through their captive finance companies they may miss bus. They may actually limit their sales so actually they would require a lot of finance companies to join the dealers and improve the business because that is the number that would explode as we go forward. Last year we said 2 Crores sales would happen 2.05 Crores vehicles got sold. This year it should be at least 2.25 Crores that would happen so to fund 40%, 45% of these vehicles, you need almost the muscle of all the finance companies join together and take care of this volume. This is the point number one. Point number two, Muthoot Capital you have to look at from totally different perspective and not just like any other NBFCs because our dependence on dealers is not so great, so high compared to ten years of competition because we contribute close to 20% of our sales back to the dealers through our branch network, we source on our own and going forward that capability we will further strengthen, which means that we bring lot of customers back to the dealers and give to them and tell them see this is the customer we are financing him, and give them the vehicle so that is the value we bring in to the dealer. In terms of our services, in terms of our consistency being in the market, dealer see a lot of value in our organization, in our group, the visibility that we have in each city from our branches from our activities that we undertake recently we have taken a very big campaign on the Blue Soch. Vidya Balan is our brand ambassador. You will be seeing our TV commercials, things should follow now, so a lot of background activities are happening, which forces our brand across the country and so we generate our own business in market and dependence on dealers is less. So it is mutual. So dealers see a lot of value in us and give us place in his dealership to do business. Third, is in terms of captive finance except one others to do business they totally depend on dealer because they are not opening their branches, they are not putting up their shop across the place where they want to do business, 100% they are dependent on dealer. So to some extent still that captive finance model is still handicapped so that is limiting their reach against that our reach is huge and I always quote that entire thing in previous one of the previous questions, I was answering that Tier III and Tier IV we have close to 65% business, which another finance companies have not been able to reach and contributed back to the market. So these are certain things which helps us stand firm on our own and I think that next at least two to three years, we are very strong on that and with the digital process even the rural sector would give as good as service as what the metro gets so across the country I would be able to do business and my complete team needs to have only a smartphone and he will be able to do the business wherever he is standing in the country so these are certain things, which would make us huge from the market and as we go forward and with the strong branding strategy that we are doing I hope that we will have a very strong position in the market.

Siddharth Purohit: Thanks for that. Sir, just one more point I wanted to ask is what is normally repossession loss movement in terms of percentage?

Vinod Kumar Panicker: It is close to about approximately 50%. It is 41% to 50% of the amount due from the customer, which is charged off to P&L then and there.

Siddharth Purohit: That is all from my side. Thanks.

Moderator: Thank you. Ladies and gentlemen that was the last question I now hand the conference over to Mr. Digant Haria for his closing comments.

Digant Haria: Thanks everyone for joining this call at the start of this busy result season and thanks Madhu Sir, thanks Vinod Sir. We hope to catch up all of you in the next quarter again. Thanks and have a great evening.

Moderator: Thank you. Ladies and gentlemen on behalf of Antique Stock Broking that concludes today's conference. Thank you for joining us. You may now disconnect your lines.