CAPRI GLOBAL

November 10, 2020

Corporate Relationship Department
BSE Limited
Pheeroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai 400 001

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No.- 'C' Block, G Block
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051

Scrip Code: 531595

Scrip Code: CGCL

Sub.: Q2 FY21 - Earnings Call Transcript

Dear Sir/ Ma'am,

In terms of Regulation 30(6) read with Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Transcript of Q2 FY21 Earnings Conference Call held on Monday, November 9, 2020 for your kind reference.

The same is also uploaded on the Company's website at www.capriglobal.in.

You are requested to kindly take the above information on record.

Thanking you,

Yours faithfully,
for Capri Global Capital Limited

HARISH KUMAR AGRAWAL

Digitally signed by HARISH KUMAR AGRAWAL
DN: c=IN, o=Personal, postalCode=400097, st=MAHARASHTRA, serialNumber=1ac2f37f156203c0e5230683e59003fc690604da7f91e09be40e5bbece55edde, cn=HARISH KUMAR AGRAWAL
Date: 2020.11.10 19:02:36 +05'30'

Harish Kumar Agrawal
Senior Vice President & Company Secretary
Membership No.: A12549

Encl.: a/a

Capri Global Capital Limited
(CIN: L65921MH1994PLC173469)
Regd. Off: 502, Tower A, Peninsula Business Park, Lower Parel, Mumbai – 400013.
+9122 4088 8100/4354 8200 contact@capriglobal.in www.capriglobal.in

TRANSCRIPT

Capri Global Capital Ltd Q2 FY21 Earnings Conference Call
Event Date / Time: 9th November 2020, 12.00 HRS IST

Moderator: Good afternoon, ladies and gentlemen. I am Pavitra, moderator for the conference call. Welcome to Capri Global Capital Ltd 2QFY21 Earnings Conference Call hosted by Go India Advisors. At this moment, all participants are in listen-only mode. Later, we will conduct a question and answer session. At that time, if you have a question, please press * and 1 on your telephone keypad. Please note this conference is recorded. I would now like to hand over the floor to Mr. Rajat Gupta of Go India Advisors. Thank you and over to you, sir.

Rajat Gupta: Thank you, Pavitra. Good afternoon everybody and welcome to Capri Global Capital Ltd Earnings Call to discuss the 2QFY21 results. We have on the call Mr. Rajesh Sharma (Managing Director), Mr. Jayesh Doshi (Whole Time Director and Group President), Mr. Vinay Suraana (Head of Treasury), Mr. Hardik Shah (Vice President - Corporate Strategy) and Mr. Ashwarya Gupta (Vice President - Investor Relations). We must remind you that the discussion on today's call may including certain forward-looking statements and must be, therefore, viewed in conjunction with the risk that the company faces. May I now request Mr. Rajesh Sharma to take us through the company's business outlook and financial highlights subsequent to which we will open the floor for Q&A. Thank you and over to you, sir.

Rajesh Sharma: Thank you. Good afternoon everyone and thank you all for joining us on this call. I would like to start by saying that all of us at Capri Global Capital hope you, your friends and your family remain safe and healthy amid the continuing challenges with COVID-19. First, I will start by sharing the operating environment, which was prevalent during the last quarter and continues to be in the current quarter. Domestic economic activity has improved in second quarter and October trends remain supportive. Key leading indicators for example manufacturing and services PMI, electricity demand, auto sales, GST collections, etc., indicate that economic activity has revived and almost up to pre-COVID levels.

These trends do corroborate to some stabilization of the macroeconomic environment. While we remain conservative in our policies and processes we continue to pursue growth wherever we see the right opportunity. Since our last meeting when we discussed the Q1FY21 financial results, things on the ground has been improving on a day-to-day basis with shops and businesses slowly coming back to normalcy, more particularly in rural areas. The overall sentiment in rural and semi-urban India is that of hope. The optimism in sentiment is driven by some uptick seen in the rural income levels with agri economy doing extremely well and suitably supported by governments various initiatives and schemes.

I would now like to discuss some key metric of our second quarter financial performance for FY21.

First and foremost, given that moratorium is now formally behind us giving us better visibility for second half, I would like to provide you all the collection efficiency numbers. The company has registered sizeable improvement in collection in September 2020 to 87% in terms of POS versus 64% in June 2020. Further, post exclusion of GNPA the collection number further improves to 89% for September 2020. We expect collection to improve further going forward along with gradual pickup in domestic economic activity. Details of segment wise collection efficiency are hereunder.

In MSME, out of total MSME POS of Rs. 2,128 crores as on 30th September 2020, customer with POS of Rs. 1,729 crores service EMI in the month of September 2020 versus 62% customer who serviced their EMI in the month of June 2020. Further, post exclusion of GNPA the collection further improved to 84% in September 2020. For further month-wise breakup you can refer to slide seven of our investor presentations. Similarly, in housing finance, out of total home loans, portfolio of about Rs. 928 crores as on 30th September 2020, customer with POS of Rs. 876 crores serviced EMI in the month of September 2020 versus 76% customer serviced their EMI in the month of June 2020. Further post exclusion of GNPA the collection further improves to 95% in September 2020.

On slide eight of our presentation you can see significant improvement in collection across the construction finance, and indirect retail business segment as well where the collection efficiency for the month of September has been 92% for the construction finance and 100% for indirect retail lending. Increased focus in collection with extensive use of analytical model coupled with own ground collection is reflected in the improving collection parameters. As part of the collection strategy we are proactively working with customers to ensure that they honor their commitments and help them to get back to normal payment habits. Furthermore, based on the interactions with our customers, we have gathered that most of enterprises in semi-urban and rural areas are already back on track. While those in major urban centers, which are epicenters of COVID cases in India, should hopefully normalize soon, hence customer servicing EMI should improve further going forward.

During the period we maintained robust level of liquidity and capital to tackle through the COVID crisis with almost Rs. 5.5 billion of cash and cash equivalent and healthy capital adequacy of 41.6%. Additionally, we managed to raise incremental bank lines of Rs. 1,300 crores during H1FY21 with around Rs. 900 crores of undrawn lines at the end of the quarter. We believe the granularity and retail nature of our loan assets is assuring to the banks while large ticket size lenders are finding it difficult for incremental liquidity. Additionally, the company has made a repayment & prepayment of loans ahead of its repayment schedule of around Rs. 850 crores in H1FY21, which is equivalent to 91% of overall scheduled payment in FY21.

As we continue to navigate this challenging and uncertain environment, this quarter's performance once again demonstrates the benefits of diversification and scale up of platform. Also, as a result of our stringent cost control and strong risk management framework we reported a strong and healthy Q2FY21. I will just touch upon few highlights here and there. Our net interest income is Rs. 105

crores for Q2FY21, growing 4% year-on-year and 13% quarter-on-quarter with NIMs at 10.3% for Q2FY21.

Sharp focus on cost management and improvement in employee productivity assisted in bringing down opex in Q2FY21 by 27% year-on-year. Our cost-to-income is at about 28.5% in Q2FY21 as compared to 42.5% in Q2FY20. This leads to a strong operational performance with our pre-provision operating profit at Rs. 82.1 crores for Q2FY21 registering a growth of 37% year-on-year. Pre-provision operating profit for H1FY21 came at Rs. 155.2 crores registering a growth of 32% over H1FY20. Our profit after tax for Q2FY21 stood at Rs. 61 crores, which was a growth of 57% year-on-year. H1FY21 PAT came at Rs. 100.6 crores, a growth of 31% over H1FY20.

The asset quality remained healthy with GNPA and 90+ DPD portfolios at 2.18% and NNPA at 0.12%. Further, our gross NPA coverage ratio stood at 93% at the end of Q2FY21, which we believe is more than sufficient to cover up any marginal rise in NPA number. We maintain a strong NIM of 10.3% in Q2FY21 against 10.1% in Q2FY20. Our AUM ending Q2FY21 grew by 5% year-on-year and stood at Rs. 4,161 crores. Disbursement in Q2 picked up substantially growing by 206% year-on-year. We expect the momentum to continue from here on, also with the disbursement pace obtaining traction now and likely to be sustained in the festival season and beyond. Our ROE stood at 12.7% while our ROA stood at 4.4% for H1 FY21. With our continued focus on the long-term borrowing ALM is comfortably placed across all buckets. Bank funding is our mainstay and continues to be over 75% of overall borrowing mix.

We continue to focus on digital initiative and have significantly ramped up our digital payment infrastructure and launched several technological initiatives adding benefit in collection, underwriting, disbursement, risk, etc.

On restructuring front; we do not envisage having to restructure too many of our accounts. As of now no customer has approached us for restructuring and we don’t see that many customers forthcoming for that.

Going forward, we are witnessing a return of normalcy in our asset business with recovery trend further sustained during the second quarter, we are quite optimistic about our growth in the second half of FY21. Furthermore, our top priority continues to be the implementation of our risk control, credit underwriting, recoveries and regulatory work, though we have also taken targeted action to improve the experience for our customers, clients, community and employees. We continue to prepare for the ongoing economic challenges and look beyond market valuations in our overall assessment of risk. We maintain a strong financial profile and remain agile with our balance sheet as we continue to serve our clients.

So to wrap up, even though recent economic data has been more constructive than we would have expected earlier this year, there remains a significant amount of uncertainty and so we continue to prepare for a broad range of outcomes while focusing on serving our customers, clients and communities through this time. I would like to mention that I am proud of the people at Capri Global as they have worked tirelessly during this time to engage and serve our clients, leverage technologies to ensure our resiliency and prudently manage our risk and financial resources. Additionally, I would like to covey my best wishes to you and your family for the festive season and with a hope that all of you are blessed with good health and prosperity. With that, we may open the line for Q&A. I would like that Jayesh, Vinay, and Hardik can attend all the Q&A, Thank you.

Moderator: Ladies and gentlemen, we will now begin the question and answer session. If you have a question, please press * and 1 on your telephone keypad and wait for your turn to ask the question. If you would like to withdraw your request, you may do so by pressing * and 1 again.

I repeat, ladies and gentlemen, if you have a question, please press * and 1 on your telephone keypad. Dear participants please press * and 1 once for any questions to be asked, if pressed twice the questions will be withdrawn from the queue.

Ladies and gentlemen let's wait for a moment while the question queue assembles. Ladies and gentlemen, if you have a question, please press * and 1 on your telephone keypad.

We have the first question from Mr. Raghav Kabra from Excel Investments. Please go ahead.

Raghav Kabra: Hello, sir. Thanks for the opportunity. I have a couple of questions to ask. So, first question of mine is your MSME disbursement has picked up a lot in current quarter. Can you give us a sense on the customer profile where the demand is coming from and how do you see the disbursement over the next couple of quarters?

Hardik Shah: Hi! This is Hardik Shah. I will take your question. So basically, most of our MSME customers are primarily from the tier 3 and tier 4 cities where the economic activity has picked up better than actually what we are seeing in the urban areas, so that has helped us, in attaining the disbursement level, which was similar to the last year. Plus, we have seen a lot of our peers are facing a liquidity crunch and because of that, it is easy for us to gain the market share compared to our peers. So that has played a big role and helped us in attaining the disbursement numbers.

Going forward we see the economic activity gradually picking up and our disbursement numbers along with the pickup in activity, so we will see, better numbers compared to Q2, in Q3 and Q4.

Raghav Kabra: Okay. And my second question is related to…what's the total COVID-related provisioning you have done till now and have you done any extra provisioning this quarter related to the same, and what do you feel about the provisioning done till now? Is it enough for any stress that might arise?

Hardik Shah: COVID-related provisioning we have made around Rs. 34 crores in the past two quarters that is in Q4FY20 and Q1FY21. In this quarter we have not made any additional provision and based on the current indicators of socioeconomic conditions we consider this provision to be adequate. Our provision coverage ratio stood at 93% at the end of Q2FY21, which will be more than sufficient to cover up any marginal rise in NPA numbers. Moreover, as per the leading rating agencies if we see the reports, the home loan and MSME lending are expected to register lesser asset quality deterioration as compared to other asset classes, which are key focus area. So, we believe, Rs. 34 crores, which we have provided is more than sufficient to cover even if there is any marginal rise in the NPA numbers moving forward.

Raghav Kabra: Okay. And one more question I have is, many banks and NBFCs have seen pickup and restructuring queries lately, so what's happing at Capri and how has been the trend after moratorium got over now in October actually?

Hardik Shah: Actually, given the moratorium has ended recently, the company has not received any major request for restructuring from customers, but it is possible that some of them may approach in the coming months for restructuring, but we believe these won't have significant impact on our business given most of the customers have started paying their EMIs right now.

Raghav Kabra: Okay. I will join back for further questions. Thank you. Thank you

Moderator: Thank you, sir. Ladies and gentlemen, if you have a question please press * and 1 on your telephone keypad. We have the next question from Agastya Dave from CAO Capital. Please go ahead.

Agastya Dave: Thank you very much for the opportunity, sir. Two of my questions were asked by the previous participant, so thank you to him also. Sir, one question; in all the four segments if the collections stay where they are what would be your estimate of loss given default? So, let me be more specific here. So, if I were to look at MSME segment, if 81% is the collection efficiency and let's say if they don't – the remaining 19% people don't pay up, what's the estimated loss given default? Sir, please understand I'm not saying that they will not pay up, I just want to understand the loss given default numbers.

Hardik Shah: Please note, 81% includes the GNPA numbers also, so first of all we need to remove that from the denominator, so once we remove that GNPA numbers from the total POS of MSME the collection numbers currently stands at 85%. Three months back that number was 62% and considering what feedback we have received from our sales people at the ground level we are very optimistic in achieving pre-COVID levels by November. so we are very confident based on the feedback we have received so far.

Agastya Dave: Sir, I understand that part. That was very clear from your commentary as well that things are looking up. I am just wondering that if the current cohort of people who are not paying up, if any one of them defaults what would be the loss given default; that is my question. So, it's not about 19% going to 0%, it's if someone defaults what would be the loss given default on that individual account?

Hardik Shah: Please consider the fact that even if there is a default for secured asset, in such cases we are fully covered and especially MSME the LTV stands at 50%, so the recovery rate is pretty good for us, so in that case provision requirement will be very less.

Agastya Dave: Right. And, sir, for the other segments, for housing I guess it will be very high, but for construction and indirect retail what would be the similar number?

Hardik Shah: In construction already collection has reached 92% and indirect lending right now is 100%, so, all the customers are paying in indirect lending, hence we are at very comfortable level for the other segments.

Agastya Dave: So again, sir, the question was loss given default. In case in any of these segments if ever there is a default…?

Hardik Shah: Right now I don't have a ready answer. We will come back to you on the same.

Agastya Dave: No problem, sir, but I got an indicative answer. Thank you very much.

Jayesh Doshi: No, let me interrupt. The whole point is that we don't consider that, okay, everything will be loss and let's calculate what would be the – if collections do not exceed more than 85% and the entire 15% is to be considered as a loss. It's very difficult to estimate. It's not that we don't have the estimates. Probably the numbers are not yet pretty worked out because that's not the way the thought process is.

Agastya Dave: I understand, sir. I completely understand your point. I completely understand your point, sir. I just needed an indicative answer.

Jayesh Doshi: We get your point. We get your point on an off mark thing. We will work around and probably you can approach us and we will tell you that this could be the potential loss if nothing happens, though we are perfectly secured in terms of the other loans.

Agastya Dave: Yes, sir. That's most important, sir. Thank you very much. All the best, sir, for the next quarter. Thank you.

Moderator: Thank you, sir. Ladies and gentlemen, if you have a question, please press * and 1 on your telephone keypad. We have next question from Rajagopal Ramanathan, an individual investor. Please go ahead.

Rajagopal Ramanathan: Good afternoon. Thank you for the opportunity. My question actually goes back to last season default estimates. Now, the earlier gentleman was asking you a more realistic estimate on the current portfolio and so on and so forth. My question actually does not have anything to do with that, but what are your general LGD assumption in your business? Under IND AS if I'm not mistaken the provisioning has to be based on LGD and PD, so essentially whatever is your PD assumption we touch the LGD that you have assumed across the various portfolios that you run.

Hardik Shah: Considering, total provisioning we have made so far, that is additional provision of Rs. 34 crores, and based on assessment of our overall portfolio plus the security cover we are having, we didn't require any additional provisions for this quarter, so hence whatever assumptions were there regarding LGD we will maintain the same and, hence we didn't make any additional provision for this quarter.

Rajagopal Ramanathan: Sir, I am not in any way doubting the sufficiency or raising questions on insufficiency of provision. My question is very simple. You have a default probability and you have an LGD assumption. Now, the LGD assumption in based on historical track record, based on your expertise, you're belief systems, etc., etc., right? Now, on that basis what is the LGD assumption that you are basing to compute these provisions. I have nothing to do with what COVID-related risks are and so on and so forth, it's more a standard costing related query, supposing you earn…

Hardik Shah: So basically you want LGD provision for each segment?

Rajagopal Ramanathan: Or even – let's not get too much into segment, but let's say if you were to look at your total portfolio, let's say you have various product lines, what is the weighted LGD assumption that you work with?

Hardik Shah: The number is currently not handy with us, but we will definitely get back to you on the same.

Rajagopal Ramanathan: I am requesting you to share what your current numbers are. I am only asking you that if you have to arrive at some provisioning, there are some thesis to arrive at that provisioning am I right? So what is that expected LGD that you work with? I am not even asking you what your expected LGD for future portfolios or for the existing portfolios. I am only asking you based on your experience what's the LGD?

Moderator: Please go ahead, sir.

Hardik Shah: So basically based on past experience, in MSME we have, like, a default rate of 4%.and within HL of 1% to 1.5% and recovery rate…

Rajagopal Ramanathan: You say a default rate of 4%. One minute. One minute. Let me understand. You said default rate of 4%, that is PD of 4% and you are working with a loss rate of 1.5%, right?

Hardik Shah: In HL with a default rate of 1% to 1.5%, in HL.

Rajagopal Ramanathan: Okay. So 1% on 4% is 25%, right?

Hardik Shah: So 4% is for the MSME and 1% is for HL.

Rajagopal Ramanathan: 1% is for HS? HL?

Hardik Shah: Yeah, home loan.

Rajagopal Ramanathan: Sir, let me make myself clear once again. You said default rate, default of probability of default, right?

Hardik Shah: Basically I'm talking about the GNPA actual, which is happening in our business case. So you say that PD is 4%, yes, you can take that.

Rajagopal Ramanathan: Correct. So out of this PD of 4%, based on your experience, okay, based on your experience how much money would you lose on this portfolio? Either you are saying that you will not lose anything or you are saying that you will lose something, right?

Hardik Shah: So 4% if our PD and LGD you can take 20% for the MSME roughly.

Rajagopal Ramanathan: That's exactly what I am asking, sir. That's exactly what I am asking. All that you need to do…

Hardik Shah: So 4% if our PD and LGD you can take roughly 20%. I need to get the exact number, but the that is the number you can take.

Rajagopal Ramanathan: So is it fair to assume that your LGD assumptions across your entire portfolio will be around 20% to 25%, leave aside home finance where probably your LGD will be much lower, is it fair to say that?

Hardik Shah: Yes, 20% to 25% for the whole Company…that is the thing I believe. Hello? I hope this answers your question?

Rajagopal Ramanathan: So 20% to 25%, right?

Hardik Shah: Yeah.

Rajagopal Ramanathan: Okay. That's it. I just wanted to know that. Thank you very much.

Moderator: Thank you, sir. Ladies and gentlemen, if you have a question, please press * and 1 on your telephone keypad. We have next question from Alaya Patel from Value Investments. Please go ahead.

Alaya Patel: Good afternoon, sir. Thank you for this opportunity. Sir, you have been bringing down the branches count sharply in the last couple of quarters, so I just wanted to know what's your plan on growth going forward and how will the branches add in the next couple of years from here on?

Hardik Shah: Since the beginning of the COVID we took the exercise where the analysis of the branches was done and where the productivity was lower we have realigned those branches to nearby branches or instead of keeping those branches as full-fledged branches we have started, instead of that resident branches. So we have trimmed the staff also for those branches where the productivity was lower. However, going forward, as there is a gradual recovery in economy, we are planning to increase our customers reach in a calibrated manner in our existing geography in the near term. So we are planning to expand branches gradually, keeping the ground level scenario in mind.

Alaya Patel: Okay. Thank you, sir. Also, we are seeing that many other players are focused on digital and technology. What sort of initiative have you taken and how have you been benefiting in terms of underwriting collection (not clear)?

Hardik Shah: So basically we have taken a lot of initiatives in the recent time. So we have launched a sales mobility application for sales people which enables the simulation and complete digital customers on-boarding. We also have multiple technology initiatives under progress such as application scorecard, data warehousing, etc. We believe these technology initiatives will help us in making customer on-boarding easier and reduce our total turnaround time.

Alaya Patel: Okay. Thank you. And, sir, in your construction finance portfolio most of your developers are small developers and majorly they will be falling under affordable housing category, so how has been the sales pattern of homes by your developers in Q2 in October?

Hardik Shah: In terms of home sales because of the initiatives taken by the state government like reducing the stamp duty plus the interest rate right now is one of the lowest, our developers have seen a steady stream of demand from the end users and once Diwali sets in we expect the sales number to further pick up. So we are pretty optimistic, you know, our developer segment is well-placed in terms of returning to pre-COVID levels pretty soon.

Alaya Patel: Okay. Thank you so much, sir. That's all from my side.

Moderator: Thank you, ma'am. Ladies and gentlemen, if you have a question, please press * and 1 on your telephone keypad. We have the next question from Bunty Chawla from IDBI Capital. Please go ahead. We have a question from Bunty Chawla from IDBI Capital. Please go ahead.

Bunty Chawla: Thank you, sir. Thank you for giving me the opportunity. First question is on the industry part, if you can share your views specifically SME where we have a large exposure, how the SME industry is going through the phase? Are we seeing a good amount of improvement in the SME especially and how you see the restructuring part as you have suggested in the data, 81% is the collection efficiency or you can say 6% has not paid a single EMI? How much from that portfolio will go or is eligible under restructuring?

Hardik Shah: So in case of MSME majority of activities are happening in tier 3 and tier 4 towns, except for metros, other areas already back to near normalcy. From the month of August, we have achieved pre-COVID level of disbursement and expect the activity level going forward to pick up further. In terms of the collection basically, like, the customers who have not paid single EMI stands for the MSME right now at 6%, but we believe as the economic activity picks up gradually going forward we expect this number to come down. We are quite comfortable with the traction happening at least in our customer segment of the MSME.

Bunty Chawla: So any expectation of restructuring from this will do under; from SME will go for restructuring?

Hardik Shah: You know, definitely there will some customers who will come up for the restructuring but right now so far not any major customer segment has come up for restructuring, but we will see post Diwali how things pick up and we will have discussions with the customers and based on our understanding of their business activity we will plan the restructuring activity for those customers.

Bunty Chawla: Okay. And, sir, how…

Jayesh Doshi: I just want to add one thing, that the most painful period probably is over for most of the people and we believe that whatever needed to happen or could have happened has probably happened. So the idea of that would be that the uptake would be certainly much better during Diwali and post Diwali where people's confidence in terms of actual activity, economic activity picking up would increase and hence though we've not seen an restructuring request yet, on a conservative basis we do feel that there could be some restructuring, but not the kind of restructuring which we probably thought it would have happened.

Bunty Chawla: Secondly on the credit enhancement scheme, how much sanctions we have done and how much disbursement we have done?

Hardik Shah: Sorry, could you repeat your question, please?

Bunty Chawla: Under credit enhancement scheme how much sanctions we have done and how much disbursement we have done up till now?

Hardik Shah: It was very meager amount. It was around Rs. 14 crores for the ECLGS scheme.

Bunty Chawla: Okay. Okay, sir. Thank you. Thank you very much.

Moderator: Thank you, sir. Ladies and gentlemen, if you have a question, please press * and 1 on your telephone keypad. Next, we have a follow-up question from Raghav Kabra from Excel Investments. Please go ahead.

Raghav Kabra: Thanks for the opportunity again. I have one question more to ask what is your medium-term strategy. A few experts are questioning NBFC model and are talking about transitioning to small finance bank. Also one more question is like how can your medium term growth will come, like, will it be geographic spread or increased product offering to same client spread?

Jayesh Doshi: I just want to basically say the focus is that we understand this business of retail MSME lending. We believe that the economic is yet to pick up and hence the growth will pick up. For that we are actually ready and having ample liquidity to meet that requirement, so we would continue to certainly grow our businesses in the sectors and in the segments which we understand completely, which is retail and MSME lending and housing loan finance, and as you have seen that many of the NBFCs are struggling to keep up this kind of requirement because of liquidity. So what we have done at this strategic point is that I have got that ample liquidity from the banks available so there is no crunch and most of the loans are long-term loans. So we are pretty confident that as and when the activity does pick up we would certainly be ready to take on that kind of growth rate. And as you are seeing that last couple of months have also shown tremendous uptake. So first of all, we had to be conservative in ensuring that we have liquidity to match up most of the hiccups if any would come and secondly definitely be ready in the segments, which we know and understand as secure lending and the profiling of the customers that is also going up and probably we are confident that we would certainly ensure growth in those segments.

Raghav Kabra: Okay. That's all from my side. Thanks.

Moderator: Thank you, sir. Ladies and gentleman, due to time constraint, that would be the last question for the day. Now I hand over the floor to Mr. Rajesh Sharma for closing comments. Over to you, sir.

Jayesh Doshi: I think Mr. Sharma had to leave, so probably he is not there, but I just wanted to just add that thank you very much to all of you to take this call and we believe that most of the anxieties and the big concerns have past us. Yes, we are all awaiting the vaccines. As soon as the vaccines arrives probably people would be able to be much more confident than what they are, but as you can see that India has really ensured that the COVID-related new things are completely under control and we believe the economic activities have already started picking up quite substantially, whether it be cement, be it auto, be it two-wheelers and be it agriculture produce and hence we are ready to participate in the economic activities as and when it occurs. Thank you very much and hope we are able to come out with all the questions and come out with the second and third quarter. Thank you so much.

Moderator: Thank you, sir. Ladies and gentlemen, this concludes your conference for today. Thank you for your participation and for using Door Sabha's conference call service. You may disconnect your lines now. Thank you and have a pleasant day.