Way of Life!

Q4 FY '20 and Full Year FY '20
Investor Conference Call
May 13, 2020

Moderator: Ladies and Gentlemen, Good Day and Welcome to the Maruti Suzuki India Limited Q4 FY '20 and full year FY '20 Earnings Conference Call. 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 '*' and then '0' on your touchtone phone. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. Nikhil Vyas. Thank you and over to you, Sir.

Nikhil Vyas: Thank you. Ladies and Gentlemen, Good Afternoon once again. May I introduce you to the management team from Maruti Suzuki. Today, we have with us our CFO, Mr. Ajay Seth; Executive Director, Marketing and Sales, Mr. Shashank Srivastava. From Corporate we have Executive Director, Mr. Hideki Taguchi and Executive Vice-President, Corporate and Government Affairs; Mr. Rahul Bharti. From Finance we have Executive Director, Mr. D,D, Goyal, Executive Vice-President, Mr. Pradeep Garg and Vice-President, Mr. Sanjay Mathur. The con call will begin with a brief segment on the performance and outlook of our business by Mr. Seth after which we will be happy to receive your questions. May I remind you of the safe harbor, we may be making some forward-looking statements that have to be understood in the conjunction with the uncertainty and the risk that the company faces. I also like to inform you that the call is being recorded and the transcript will be available at our website. I would now like to invite our CFO, Mr. Seth. Over to you, Sir.

Ajay Seth: FY 2019-20 began amid considerable challenges with sluggish economic growth in India and the world. In India, the issue of inadequate credit availability, driven by challenges in the financial sector was one of the important reasons for moderate economic expansion. Consequently, the slowdown in consumption affected the overall demand environment and investment in the economy. To bolster the economy, both the Government of India and RBI took some bold measures. With significant fiscal and monetary measures, the economy started to show early signs of improvement in the later part of FY 2019-20. However, at the end of the year, the outbreak of COVID-19 brought the economy to a screeching halt.

For the auto sector, the financial year 2019-20 can best be summarised as "the year when all negative factors struck simultaneously with full force". Over the last two decades, the auto industry hasn't witnessed such a huge demand contraction. The slowdown was broad-based with all the segments of auto industry witnessing significant decline. Major factors which affected the sales were as follows.

- Increase in selling price due to introduction of regulations, increasing in insurance vehicle premium and increase in road taxes in some of the states affected the demand especially of entry level cars.
- Issues related to vehicle financing like credit availability and increased down payment requirement also affected the demand specially when over 80% cars are sold on credit.

- Uncertainties in the mind of customers like anticipation of GST rate reduction, dilemma to choose between BS4 and BS6 technology, expectation of fire sale on BS4 vehicles etc. kept customers deferring purchases.
- Slow-down in rural economy also contributed to decline in sale of passenger vehicles.
- At the end of the year, COVID-19 related disruption brought down the sales to a halt.

Amid weak market demand with fewer walk-in customers to the showrooms, the Company increased its efforts to reach out to customers. The targeted digital campaigns through hyper-local activity were stepped up to identify potential customers. The enquires for new car buying through digital platform witnessed multi-fold increase during the year. Given the issue in credit availability in both working capital financing for dealer and retail financing for consumers, the Company established tie-ups with leading Scheduled Commercial banks, NBFCs and Regional Rural Banks in order to ensure the credit availability at competitive interest rates with low down-payment requirements. The Company tied-up with 13 finance companies like Bank of Baroda, Kotak Mahindra, HDB financial services, Federal bank and Tata Capital.

Besides, the Company successfully managed the transition from BSIV to BSVI vehicle technology. Given the wider portfolio of the Company, the introduction of BSVI vehicles had to be done at the right time with meticulous planning in order to ensure that the dealer partners were not burdened with any unsold stock of BSIV vehicles. The Company has sold around 8 lakh BSVI vehicles during the year.

In a weak demand environment, it is necessary to create excitement in the market by offering new products with relevant technologies. With the support from Suzuki Motor Corporation in providing the necessary platform and powertrain technology, the Company launched 2 new models XL6 and S-Presso just before the festive period. In order to cater to the growing interest of consumers in the UV space, the Company launched its flagship model - Vitara Brezza - with a bigger engine and host of other features. This created excitement in the market and helped improve sales.

The shift towards petrol vehicles is more evident now with share of diesel vehicles for the industry falling below 20% in Q4 FY2019-20. For the Company the contribution of sales from petrol vehicles stands at 93% in Q4 FY2019-20.

Seven out of the top ten best-selling models in India came from the Company. Maruti Suzuki has been leading the green mobility initiative in India by providing the factory fitted S-CNG Technology. During the year while overall sales of the company in domestic market declined by 18%, the CNG sales grew by 1%. This clearly indicates the growing interest of customers in CNG vehicles.

On export front, the Company exported 102,171 vehicles to over 100 countries, registering a decline of 6%. The economic and political uncertainties and increased protectionism in some of the export markets affected the sales. Both domestic and exports markets put together, the Company registered an overall volume decline of 16.1% in FY 2019-20.

Being capital as well as labour intensive, the passenger vehicle industry has higher fixed costs and capacity utilisation is one of the important levers for profit margins. With a decline in volume on one hand and capacity addition on the other, the capacity utilisation fell much below that of the previous year. Weak demand condition kept sales promotion expenditure at an elevated level. These two factors viz: reduced capacity utilisation and higher sale promotion expenses alone significantly impacted the profit margin. Moreover, due to weak market situation, the Company could not take adequate price increases to neutralise the increase in input costs. The Company could partially off-set the impact of unfavourable factors by stepping up cost reduction measures.

The Company sold a total of 1,563,297 vehicles during the year, lower by 16.1% over the same period previous year. In the domestic market, the Company sold 1,461,126 vehicles Exports were at 102,171 vehicles. The Company's net sales stood at INR 716,904 million in FY 2019-20, lower by 13.7% over the same period previous year. Net profit for the year stood at INR 56,506 million, lower by 24.7% over the same period previous year on account of lower sales volume, higher sales promotion expenses and higher depreciation expenses, partially offset by lower operating expenses, cost reduction efforts, higher fair value gains on invested surplus and reduction in corporate tax rate.

Coming to Quarter 4 of this year, the Company sold a total of 385,025 vehicles during Q4, lower by 16% over the same period previous year. In domestic market, the Company sold 360,428 vehicles. Exports were at 24,597 vehicles. In Q4, the Company registered Net Sales of INR 1,71,857 million, lower by 17.1% over the same period previous year. Net profit in the Q4 stood at INR 12,917 million, lower by 28.1% over the same period previous year on account of lower sales volume, higher sales promotion expenses, partially offset by lower operating expenses, cost reduction efforts and reduction in corporate tax rate. We can now take your questions, feedback and any other observations that you may have. Thank you

Moderator: Thank you very much. Ladies and Gentlemen, we will now begin the question and answer session. We take the first question from the line of Yogesh Aggarwal from HSBC. Please go ahead.

Yogesh Aggarwal: Thank you. Hi Sir, hope you guys are all well and families are safe, just couple of questions from me, firstly can you talk about the your Treasury investment, what is the yield you expect going forward and what is the profile of investments and if there is any risk around any kind of debt fund?

Ajay Seth: On Treasury, most of our investments are all on AAA portfolios and we are very careful in terms of choosing investments on underlying papers. There are certain negative sectors where we make sure that we do not have any investments, so far amongst all the problems that you seen in mutual fund industry we were not invested in any of such papers, so, we have had no write-offs that we had to take on account of these underlying papers. The return so far have been good, in fact this year the returns were good because there were significant mark-to-market gains in the investments that we have made, however moving forward with the interest rates going down, the accrual of next year is going to be lower and also capital gains that we had accrued this year may not continue the same way next year, so Treasury income to the extent of capital gains that we accrued and the lower interest rates that we are now witnessing will have an impact on the numbers, so to that extent the Treasury income will be lower, but we do not anticipate any risk on account of bad papers and we are very careful in terms of managing risk in these areas.

Yogesh Aggarwal: Sir, secondly is there some change of accounting because last quarter like some of the stuff has moved from COGS to other income for last quarter and the previous quarter, around purchase of stock- in-trade?

Ajay Seth: I am not able to get your question, what has moved from stock-in-trade to?

Yogesh Aggarwal: There seems to be some restatement cost moved from COGS to other expenses, last quarter and the fourth quarter of last year?

Ajay Seth: Can you just refer this question to me off-line? I will answer, I will have to look at the details.

Yogesh Aggarwal: Sir, last question I had which is on demand, we all know what is going on, but if you look at this year volumes, FY ’21 industry could actually be almost similar to FY ’11, so 10 years of no growth, so do you believe there is some pent-up demand at least from an upgrade perspective itself that should be FY ’11 itself give the FY ’21 volume, so what do you expect for starting maybe from festive season and for next year?

Shashank Srivastava: Actually, this is a very difficult question to answer because of the large number of uncertainties that are prevailing, it is difficult to give a forward guidance of when the market will pick up. As you know, car buying is a discretionary purchase which depends a lot on sentiment and sentiments can be very transient, so we expect that if some good news continues on the front of COVID or any other measures which might be taken by the Government or such other measures then maybe sentiment can change, but very difficult and I think going forward maybe in the next couple of months would make it much clearer what the ultimate demand is going to be. Thank you.

Moderator: Thank you. We take the next question from the line of Raghunandan from Emkay Global. Please go ahead.

Raghunandan: Sir, couple of questions, firstly in terms of customer psychology would you expect customers to down trade given the mindset could be towards cash conservation, also do you expect a shift from shared mobility and public transportation towards car ownership?

Shashank Srivastava: I think this is one of the most common questions being asked and our interaction with customers and all possible researchers, it does indicate that there would be, we expect they shifting down what is known as a transfer of demand across segments, so the upper segments the demand comes a little to the lower segment, the lower segment for further lower and so on and so forth, but yes that is true. The trend might be towards the smaller cars. Initially enquiry levels which we have seen this month from the showrooms which have opened suggest that trend, but I think it is just too early to say that the trend is definitive. On the second question yes, given the uncertain income levels that some of the consumers may have, there would be a tendency to again put their purchase towards the lower side. Second on the question of shared mobility, yes, I think all researchers indicate very clearly that people would prefer personal transport over public transport and going forward, we see that becoming a trend definitely as far as the fear of COVID remains and our projection is that it is going to remain for quite some time.

Raghunandan: One last question what supports confidence on sustenance of market share in light of absence in diesel vehicles and new products by competition, in this regard, can you provide any update if any on BS6 vehicle cars or any other new products by Maruti?

Shashank Srivastava: I think in the last con call also we had a similar sort of question, if you look at the trend of diesel percentage in the industry, it has been coming down. Last year, it came down from about 37% to about 29% in the industry, however, if you look at figures in March and February, it is less than 15%, so the share of diesel percentage has been coming down and one of the main reasons why this is happening is because the fuel price difference between a litre of diesel and a litre of petrol has significantly come down. In fact if you remember just a few days back Delhi Government announced increase in diesel prices by INR 7.10 and increase I think of INR 1.60 in petrol, significantly reducing the gap between diesel and petrol to less than INR. 2, so that along with the initial cost of acquisition of diesel of BS6 being very high, because remember BS6 diesel the conversion cost is much more for a diesel rather than a gasoline, so seeing the big difference between the initial cost of acquisition, which is now close to INR 150,000 for most cars, INR 150,000 to INR 180,000 range, and the decrease in the difference between the running cost, I think either way it looks as if the diesel percentage is going to further reduce. while we talk about 14%-15% in February and March, actually if you look at segment wise. in the smaller car it is less than 5% now. It is only in the SUV category and that too in the mid-SUV and uppermid category of SUV that there is a significant percentage of diesel, but the initial demand for the new launches of the competition in the SUV category also indicates there is a lot of traction for gasoline even in those segments, so going forward that is what fuels our optimism that the diesel percentage in the industry will further come down. Thank you.

Moderator: Thank you. We have the next question from the line of Pramod Kumar from Goldman Sachs. Please go ahead.

Pramod Kumar: Sir, my question remains on the demand track, just wanted to understand if you can share a broad breakdown of your customer profile like you have already shared that close to 39% of your demand comes from rural, on the same line if you can just share how much of your customers comes from the Government in the SUV-related sector and how many are like professional or self-employed and are the business community, if you can just help us understand the customer profile will be great? Also I heard you talk about consumer sentiments more than affordability while answering the previous question like in your view, do you think that customer affordability in the current scenario is not going to take a big hit and it is more a matter of sentiment which should heal and if so if you can just explain a bit more about that to us because generally the perception is that affordability is taking a bigger hit because of the economic dislocation?

Shashank Srivastava: I will take the second part of your question, actually the affordability part also is a big part of the sentiment, so it is not as if they are mutually exclusive. A lot of sentiment is obviously affected by the employment opportunities or loss of it or the salary levels or the loss of income otherwise, so I think these two are related and obviously and I think I mentioned it in one of the questions which was asked earlier that there will be effect of lower income levels not only on sentiments, but also on the affordability and this was an answer I gave in response to the question whether people will go down in terms of the choice of their car as far as segment is concerned, so I think both are not mutually exclusive. The reason I mentioned sentiment more was because it is very transient and sometimes it has a very disproportionate effect on sales, and second that it also can change for the better just as it can change for the worse, so that is the thing and the reason why I mentioned sentiment first was regarding the uncertainty because it is transient and it also gives a very disproportionate effect on the sales.

As regard to your first question, about the consumer profiling and of course you mentioned about rural and urban division, so rural is roughly last year was 38.5% as against the urban of about 62% or so, so that is one way of profiling. On the other part which you asked about salaried or business or self-employed etc., roughly I can give you the figure. Salaried is roughly about 45%-46%, people with businesses are about roughly 33%-35%, self-employed are about 11% to 15%, and the rest about 9% or 8% are others, others include people who are retired or housewives or things like that, and within the salaried 45%, the rough division is 50:50 for Government and private, that is the customer profiling that you referred to. Of course, there are other ways of profiling whether it is by gender or by marital status or whether it is first-time buyer or an additional car buyer or exchange, that is, replacement car buying, but I have restricted my answer to the question specifically to the salaried, business, and self-employed because that is what I thought you wanted to know.

Pramod Kumar: The last question is based on the upstream and downstream like basically there is I expect it to be a big dislocation on the supply chain side across industry not particular to Maruti, but you will have exposure to vendors who have exposure to other companies which may not be doing that well and to the Tier-3, Tier-4 suppliers therefore, and similarly on the dealer said though your dealer community remains one of the most resilient, so what is your broad take at the industry level, what is the risk to the upstream part of the supply chain and downstream which is the dealer franchise or the dealer fraternity because there has been a lot of media report about stress at both ends of late, so if you can just share your thoughts on that Sir and how could it play to either to your advantage or you do not see it as a relative advantage for you going forward?

Rahul Bharti: The upstream part where our suppliers, we have about 400 Tier-1 suppliers, about 3,000 Tier-2 and unknown thousand number of Tier-3 suppliers. These suppliers are spread across mostly nine states and at any point of time there are about 20 or 30 of them who fall in some kind of restriction or the other. However, with the recent speech of the Prime Minister, we are hopeful that there are signals that economic activity and industrial activity will be opened up. We are also giving confidence to the Government giving very strong safety protocols where the risk of operation and the risk of spread at the work place is minimal, so we have some kind of optimism that the upstream supply chain will be able to very slowly and gradually start delivering components to the plant. Our Manesar plant has started production yesterday, Gurgaon should follow soon maybe the next week, Gujarat there are lots of doubts because there are many COVID-positive cases around the plant, so Gujarat continues to be in doubt, so slowly and gradually we should be able to raise our level of production. However, this is subject to further spread of the disease and any further news flow that we may hear, so we will keep updating you along the course.

Shashank Srivastava: Regarding the financial prospects of the dealers going forward, one of the major concern area is of course the cash flows. Because since the lockdown, there has been no retail except that very recently we started opening the outlets. We have actually more than a 1,000 outlets now open and we have delivered close to 2,500 cars already, so the wheels of cash flow have started moving, but we are going forward, this is an area of concern and that is the reason why we have been supporting the dealers with their cash flows by way of support on their stock and also by cash transfers of incentive, the dealer reserve fund and so on and so forth. Going forward, I think it clearly depends on how quickly they can do the retail, because the part of expense which is fixed which includes wages and rents and I think that is where the key is, how quickly retails can happen and going forward, I think Maruti Suzuki dealers are in a much better position because of the very robust business model that we have built over the years which includes revenue streams not only from cars sales, but also importantly from service, from extended warranties, Maruti insurance, finance, and accessories, I think some of these have actually flourished even in the month of April if you see the Maruti insurance renewal we have done from the web in fact more than three lakh renewal leading to income levels of almost 30 crores for the dealer, so I think the robust model which we have built over the years will be very significant, competitive edge for us going forward especially in stressed situations like we find today.

Moderator: Thank you. We take the next question from the line of Amyn Pirani from CLSA. Please go ahead.

Amyn Pirani: My first question was on how much digitization have we been able to build into the sales percentage in the sense that what was the thing that were already possible online before COVID, what are the things that you have managed to take online and what is the way forward because I guess for every OEM, I think that is the way forward so just would like to hear where are we placed on that journey currently?

Shashank Srivastava: Again a very topical and I think very asked questions these days, actually we have been doing these research on consumer buying process, from the point of view of digitalization for the last three years and we have identified that actually from the time a consumer decides to buy a car till the time he takes the delivery, there are 28 touch points that he has to go through which means he has to visit the showroom then he has to look at the brochure, he has to ask for a pro forma invoice, do a test drive, go to the bank, get the financing and so on and so there are some 27 to 28 touch points, so of the last three years we have worked very hard on the digitalization, of course we did not know the COVID will come, so 21 points are already digitalized. Of course it varies I think from 17 to 21 depending on the level of digitalization a dealer has, but the balance which are remaining and I think your question pertains also touched upon that aspect is largely the financing part and the test drive part, so test drive of course is something which has to be physical and the final delivery which is physical. In between, you have some points of financing which are still not digitalized and we are working on it, hopefully, very shortly we will be able to do that as well. As regard to delivery and test drive, we have now been able to schedule things digitally, but of course the actual delivery has to be physical, even if it is at somebody's home, at consumers home and as much contactless as possible as we are trying to do in the current COVID situation, which will still be physical, so I think of the remaining five-six touch points we are on our way to digitalize four of them. Hopefully going forward, we will have some such bigger digitalisation projects like virtual test drive and so on and so forth going forward. This is the state of digitalisation as far as Maruti Suzuki is concerned.

Amyn Pirani: My second question is I think Chairman made a comment that there has been no salary decision as of now, I just wanted to understand as far as the factory workforce is concerned, I see around 40% to 50% of the that is contractual, so within that capacity utilization remains very low and is likely to remain quite low for the next few weeks at least, how does the payment of contractual workers work, I am assuming that permanent workers will continue to be paid even if there is no production, but is there a reduction in contractual workers which happened automatically, is the lesser pay that we have to give them, I just want to understand from your monthly cost cash point of view?

Ajay Seth: The way it works is that we have permanent manpower and we have temporary and contractual manpower and the reason why we have this is that the production and seasonality, and therefore it varies month-to-month, and therefore, you have to adjust it based on what manpower is adequate for that particular period, so this is an ongoing thing so whenever we have lesser production, obviously the manpower to that extent is adjusted, now being force majeure this time around, we had to accommodate everybody, but as we move along the total headcount will depend on what is exactly required in the factory in terms of the production and this is not the case now, this has been the case for many years that we have been working.

Amyn Pirani: Sir, one last question, I think there is an announcement on the reduction of CAPEX also for FY '21 to something like INR 29 billion, so if you could just update us what was the final spend in FY '20 and what are the areas in FY '21 where we are reducing the spend?

Ajay Seth: The spend in '19-'20 was INR 3,248 crores, the FY '20-21 will be about INR 2,700 crores of cash flow that we are going to incur. Obviously, we are not sacrificing any of our long-term plans, but wherever we think that the expenditure could have been deferred, we have deferred, but no plans with projected plans which are long-term are being deferred. I think that is something that Chairman mentioned in his press conference also that the focus and the confidence in the economy remains intact over a longer period of time, and therefore, we will not forego something that we think is doable from a long-term point of view.

Moderator: Thank you. We take the next question from the line of Binay Singh from Morgan Stanley. Please go ahead.

Binay Singh: Firstly, could you share with us what is the BS4 discontinuation cost in the March quarter and the discounts in March quarter?

Ajay Seth: The BS4 discontinuation cost we had taken a write-off of about INR 125 crores which is including vendors and the stock that we had in-house, so that is the obsolescence that we had on account of BS4 stock components that we had in the company, and on discounts, Quarter-4 discounts were at INR 19,051 which compares to INR 15,124 same period last year.

Binay Singh: The BS4 discontinuation cost is in other expenses?

Ajay Seth: It is built in the material cost, so that ratio of material cost will reflect the cost of obsolescence of stocks.

Binay Singh: Could you comment a little bit about how do you see discounts going ahead, at least the visibility that you have on the account, because we see very elevated level of discounting because of one factor or the other in the last two-three quarters?

Shashank Srivastava: Again, as I said this is obviously depending on the market situation. Going forward, there are some on the supply side, there is likely to be some constraint going forward till it becomes normal both from the supply chain perspective and production perspective. However, on the other hand, we also have some stock at the dealership, so I think this is a fine balance currently. It all depends on how the demand pans out going forward and that part is of course uncertain, but of course I think the discount level will obviously vary from region to region from model to model and let us see how it goes from here. At this moment, it is very difficult to say whether this discount levels will come down or go up.

Binay Singh: Sir, what is happening on the Brezza going to Toyota, any timeline on that when the Maruti starts dispatching the Brezza?

Rahul Bharti: Binay, we will take this off-line because for some time we have had daily management meetings, but some projects we have not been able to cover in the lockdown, so we will answer you off-line.

Moderator: Thank you. We take the next question from the line of Kumar Rakesh from BNP. Please go ahead.

Kumar Rakesh: My first question was for Shashank, we understand it is difficult to give medium to long-term kind of sort demand part, but if you see around 10 days since some of your stores started opening up, how are you seeing initial trends over there, are there higher than usual cancellations or there are signs of pent-up demand showing up and lower than usual cancellations or higher enquiries, so how is the initial trend so far?

Shashank Srivastava: Trends are as I said most of the people who have taken deliveries are people who have either enquired about the car or booked the vehicle, because they wanted to take the delivery in March or April, but missed out because of this lockdown thing, but at the moment I think because you remember it is only fourth that we started some of our stores and now slowly the number of outlets which are opening are going up as I mentioned it is about 1100 now, but I think the only trend which seems to be as far as enquiry state is concerned is that the demand for the lower end hatches seem to have in percentage terms a higher demand as far as enquiry levels are concerned, so it is very, very early, and therefore, I am so hesitant to talk about any patterns which we see in the demand. Also some of our markets like Mumbai and Chennai and all are relatively muted because of these COVID thing, I am sorry that I will not be able to give you a clear trend, but the only trend which seems to be a significant is the demand towards the lower side of the spectrum.

Moderator: Thank you. The next question is from the line of Sonal Gupta from UBS Securities. Please go ahead.

Sonal Gupta: Sir, just couple of housekeeping questions and wanted to get a sense of what is the royalty rate for the quarter and what was the export revenues for the quarter?

Ajay Seth: Royalty rate was 5.4% for this quarter largely because exchange rate was unfavorable by the end of March, so that is the reason. For the full year, royalty is at 5.3%, export realization this quarter was at INR 1,119 crores.

Sonal Gupta: Sir, Mr. Srivastava just wanted to understand I mean like for FY '20 as a whole how have we seen the movement in first time buyers and what percentage of demand is actually coming from first time buyers and just you could throw some light there?

Shashank Srivastava: First time buyers actually have remained remarkably consistent across the last 10-12 years actually, so in the industry it is roughly varying between 45% to 47%. For Maruti Suzuki, it is a little bit higher, but it has remained remarkably consistent.

Moderator: Thank you. The next question is from the line of Ronak Sarda from Systematix Shares. Please go ahead.

Ronak Sarda: First, a housekeeping question, the other expenses line item looks to be significantly higher, in fact there is a quarter-on-quarter jump in absolute amount as well, any one-off there or?

Ajay Seth: There is a little bit of regrouping that has been done. The royalty that is by SMG, again it used to be part of the material cost, that has been moved to the other expenses as part of royalty, so I think that is the regrouping change, so royalty now gets a rise in terms of both SMG and MSIL, so the increase that you are seeing is because of this regrouping.

Ronak Sarda: That has been done across the three quarters which are presented this thing?

Ajay Seth: Yes, that is right.

Ronak Sarda: Second question is on the new launch pipeline, I mean given out the demand scenario what is the kind of new launch pipeline we are thinking of right now any delay there, and secondly, there are lot of news items on Suzuki Jimny, which is supposedly manufactured in India, any response there?

Shashank Srivastava: Actually, I am sorry, we do not give forward guidance on our product plan. However, one thing which we have already talked about the Auto Expo, we were to launch the BS6 petrol S-Cross in March, which because of the lockdown has got a little postponed as you know, so apart from that regarding the Jimny, I will not able to comment. Thank you.

Moderator: Thank you. Ladies and Gentlemen, that was the last question for today. On behalf of Maruti Suzuki India Limited, we conclude today's conference. Thank you all for joining us and you may now disconnect your lines.