



February 19, 2024

To, The General Manager Department of Corporate Services BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. <u>Scrip code: 540268</u>	To, The Manager Department of Corporate Compliance National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051. <u>Scrip code: TRU</u>
--	--

Subject: Transcript of the Earnings Call

Dear Sir/Madam,

Pursuant to Regulation 30 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and in furtherance to our letter(s) dated February 08, 2024, February 13, 2024 and February 14, 2024, we have enclosed herewith the transcript of the Earnings Call held on February 14, 2024, at 10:30 a.m. (IST).

We request you to take the same on record.

Thanking You,

Yours faithfully,
For TruCap Finance Limited

Sonal Sharma
Company Secretary & Compliance Officer
Encl.: As above



TruCap Finance Limited
(Formerly known as Dhanvarsha Finvest Limited)

Regd. Off. : 3rd Floor, A Wing, D.J. House, Old Nagardas Road, Andheri (East), Mumbai – 400 069
Tel. : 1800 210 2100 | contact@trucapfinance.com | www.trucapfinance.com | CIN : L24231MH1994PLC334457

TruCap Finance Limited
Quarter 3 and Nine Months FY 2024 Earning Conference Call
February 14, 2024

Moderator: Ladies and gentlemen, good day, and welcome to Q3 and Nine Months FY 2024 Conference Call of TruCap Finance Limited.

This conference call may contain forward-looking statements about the company which are based on the beliefs, opinions and expectations of a company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

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 touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rohan Juneja, Managing Director from TruCap Finance Limited. Thank you and over to you, sir.

Rohan Juneja: Thank you. Welcome to our Earnings Call today. In the 3rd Quarter of Fiscal 2024, we reported a 30% quarter-on-quarter growth in pre-tax profits to Rs. 35 million, driven by robust disbursements of Rs. 3 billion, up from Rs. 2.95 billion in the previous quarter and Rs. 1.75 billion a year ago. For the first nine months of the year, disbursements have been Rs. 8.62 billion, up from Rs. 4.9 billion a year ago, representing increasing scale and volume, driven by expansion of our distribution network, coupled with addition of co-lending partners.

To illustrate on both these important points further, number one, on capital allocation. We have expanded our suite of Lending-as-a-Service partners from one lender a year ago to five lenders today, which include HDFC Bank, DCB Bank, Shivalik Small Finance Bank, Central Bank of India and UGRO Capital. This addition of partners has enabled us to disburse Rs. 8.62 billion in the first nine months of the year, of which these partners have contributed Rs. 3.75 billion. This means that Rs. 4.87 billion of disbursements has happened through our own resources, for which we have raised debt of Rs. 2.98 billion, while having repaid Rs. 2.2 billion of debt in the first nine months of the year. Net debt growth of Rs. 0.77 billion in the first nine months of the year has helped us grow disbursements by almost Rs. 862 crores, which translates to an AUM build up of Rs. 270 crores. The benefits of this accretion should reflect in earnings numbers in fiscal '25.

Due to this strategy adopted on capital efficiency from August 2021, our leverage continues to remain low at 2.3x versus 2.0x in the previous quarter. On distribution, with the expansion of Lending-as-a-Service relationships, TruCap is catering towards larger volume of disbursements which is evident in the progress of monthly disbursement seen in the quarter. From Rs. 929 million in October, we finished the quarter with over Rs. 1.2 billion in monthly disbursements in December, which was the highest for us in the company's history. November was a slower month for disbursement given Diwali holidays, and the fact that the business became slightly more competitive than what we wanted to offer pricing to our customers.

Our distribution footprint has gone up from 53 branches in the last one year to 128 branches at the end of December 2023. The majority of our branch openings have been in Tier 2, Tier 3 and Tier 4 towns, which today represent almost 85% of our branch presence. Our footprint today covers the states of Maharashtra, Madhya Pradesh, Gujarat, Rajasthan, Delhi NCR, Punjab and Goa and further branch additions at an opportunistic time will happen in these states.

Given that the majority of our co-lending partnerships are driven by the MSME Gold loan product, over 77% of our quarterly disbursements were driven by MSME gold loans. Our track record in the gold backed product has been fairly resilient with over Rs. 22.3 billion of cumulative disbursements done over the last 3.5 years, with only Rs. 0.1 billion being taken into auction where we have recovered more than 104% of principal plus interest, and given money back to the customer. Also, GNPA's in this product are a meager 10 basis points.

In the collateral-free MSME business loan product, we disbursed Rs. 0.69 billion in the quarter compared to Rs. 0.72 billion in fiscal 2Q 2024. Cumulatively, we have disbursed Rs. 6.36 billion in the MSME business loan product with our GNPA's there with 3.6%.

Assets Under Management at the end of December 2023 were Rs. 8.5 billion, up from Rs. 7.8 billion in September 2023, and up 67% over the last one year. The product composition of our total on and off-balance sheet AUM today is 65% in gold loans, 34% in MSME business loans, and 1% in loan against property and personal loans, which are in runoff mode.

Active customer count, which was 24,000 in December 2021 and almost 65,000 in December 2022, is up to almost 85,000 customers today. We have almost 21,000 women borrowers today, while we have lent to over 60,000 women entrepreneurs since we began business in 2018. New to credit customers account for almost 30% of our borrowing base.

Gross NPAs in the quarter came in at 1.4% versus 2.7% a year ago. This improvement year-over-year has been driven by a relentless focus on resolving legacy LAP and personal loans, which last year were almost 55% of our gross NPAs. Today, only 7% of our NPAs come from the legacy LAP and personal loan market, which are also in the process of being resolved by the end of this fiscal year or by the end of the first quarter in June.

Collection efficiency in the gold loan product is well north of 200% due to pre-payment, repayment, part payments and closures. While for the business loan product, collection efficiency has ranged from 90% to 95% since September 2022.

Lastly, on the cost-to-income ratio, which we are looking to improve through productivity and tech enhancement, we disbursed almost 36,100 loans in the December quarter versus 40,000 loans in fiscal 2Q 2024, and 22,000 loans in December 2022. This means we averaged almost 400 loans made per working day in December 2023 versus 437 loans in September 2023 and 237 loans per day a year ago.

Almost 47% of our branches are profit making on a cumulative basis as of December 2023, and we expect this number to go up to 65% in the next few months. 48% of our branches have less than a 12-month vintage, which should reach break-even in next six to nine months. 45% of our 128 branches have an AUM in excess of Rs. 40 million, and we are now very keenly focused on substantially improving branch productivity, which is measured in loans per day per branch per person, and the resulting profitability it brings to the business.

With that, I would like to open the call for Q&A. Thank you.

Moderator:

Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask question may press * and 1 on touchtone telephone. If you wish to remove yourself from question queue you can press * and 2. Participants, I request you to use handsets while asking questions. Ladies and gentlemen, we will wait for a moment while the question queue assembles. First question is from the line of Nikhil Arora, an individual investor. Please go ahead.

Nikhil Arora:

Hello. Good morning, sir and congratulations on a good set of numbers. Sir, I just want to understand if you know the banks are moving more into the gold loan space, so I mean will this affect the market share of NBFCs? I just want to have an idea.

Rohan Juneja:

So, what we have seen, Nikhil, is that banks are very willing to collaborate with NBFCs like us and for us that's a win-win. The reason being that the customer segment that we cater to is very different from what the banks cater towards. So, it has been a collaboration model and that's evident with the co-lending partnerships that we have struck, be it with an HDFC Bank, DCB bank or with Central Bank with India, and also with Shivalik Small Finance Bank. So, the customer segmentation is slightly different for sure, the services offered are different, and obviously the rates and other charges are different, too. We truly believe it's a world of collaboration and not competition, so we're not looking to compete with other NBFCs and other banks, etc. Where we are looking to take market share away from is the unorganized sector.

Nikhil Arora: Okay, fair view and also sir, out of our total branches, how many of the branches would have been reaching the break evens that, if you can provide numbers?

Rohan Juneja: Yeah. So, break even, as I mentioned in my comments, about 47% of our branches on a cumulative basis have broken even. Year-to-date that number is higher, it's about 54%. Also, almost 53% or 54% of our branches have less than a 12-month vintage, because we opened quite a few branches from June onwards, especially in Gujarat and Rajasthan. So, those branches should be breaking even in the next few months.

Nikhil Arora: Okay and sir one last thing is that we have foreseen a roughly 30% growth in the profit. So, can we expect a similar range of growth in the coming quarter?

Rohan Juneja: We would all like to give guidance on profit growth going forward. The business is dynamic, but obviously the endeavor is to strive for higher and higher profit. I think there is good enough muscle in the distribution model that we have built today, and hopefully we will be able to keep up the performance. But we would not like to give any formal guidance on percentage numbers for profit growth or revenue growth.

Nikhil Arora: Okay sir, that was very helpful. All the best for the future.

Rohan Juneja: Thank you.

Moderator: Thank you. The next question is from the line of Neha Jain, an individual investor. Please go ahead. Yes, Miss Neha, you're unmuted, please go with the question.

Neha Jain: Congratulations on the good set of numbers. I just had two questions. This is regarding the plan to introduce fee income, so what is the target for that? And what is the total amount of AUM that it will constitute?

Rohan Juneja: So, fee income, Neha, does not contribute to AUM. Fee income as a percentage of total income will be in the 20% to 25% as a percentage of total income. We have several components that go into fee income, but the idea is a good amount of fee income should pay for the Opex. That's the way we like to try and that's the way we're looking to build the model. But it doesn't go into AUM.

Neha Jain: And how soon we see that in action?

Rohan Juneja: I think we're getting good traction there. So, going forward as well you should expect a consistent run rate, like you're seeing right now. The other change, I mean not the other change, but the other thing that you also see is interest income also will continue to grow nicely, just given the fact that there's a spread on the co-lending partnerships. So, as we continue to build on these partnerships and muscle is added to the disbursement engine, as these branches start becoming more and more productive and start reaching break even, there

should be a good impetus on the interest income as well. So, both of them should do well going forward and I think, you know, proof lies in eating the pudding, so we should see that in the next few quarters.

Neha Jain: Okay. Sir, one last question. So, since we see that co-lending has been increasing, so how do we expect that, like where are we comfortable, what is our comfortable debt level over there?

Rohan Juneja: So, we are at 2.3x debt-to-equity now, the comfortable debt level for us would be somewhere closer to about 3x. As a prudent measure, what we formally have in our Articles of Incorporation as well is that anything at 3.5x or above will have to go to the Board for a vote and anything over 4.5x will have to be a unanimous vote. So, we have never gone to the Board for a vote on that because we have never crossed that debt threshold. A comfortable level would be around 3x, and obviously there are certain other plans that we would have at that point in time as to how we maintain it at about anywhere between 2x to 3x.

Neha Jain: Okay Sir. Thank you so much and good luck for your future endeavors.

Rohan Juneja: Thank you.

Moderator: Thank you. The next question is from the line of Aniket Redko, an individual investor. Please go ahead.

Aniket Redko: A very good morning, sir.

Rohan Juneja: Good morning.

Aniket Redko: Yeah. Sir, I just want to understand, as we have tied up with this UGRO Capital, so what is the contribution for the combined OU?

Rohan Juneja: So, UGRO has given us a co-lending line for the business loan product. The contribution to the AUM over there is just under Rs. 40 crores.

Aniket Redko: Okay. Any guidance for the revenue, revenue guidance for next two years?

Rohan Juneja: So, I think we will be in a better position to give some form of formal guidance with the end of fiscal year 2024 results, and we can potentially do that for fiscal 2025 and 2026, but not now, at the end of fiscal 2024 we will look to try and do that for investors.

Moderator: Okay and sir, any new product offering or any other services as compared to our competitors are in the line? Or are we doing something which we can give better than the competitor? Do we have any plans in future?

Rohan Juneja: So, what we're doing on product is, you know, if you just break down our portfolio, 65% of the AUM comprises of the gold loan product. In the gold loan product, we are not looking to do anything new. The idea over here is to continue to enhance scale, which will bring in more profitability and that will come in now through, obviously, additional disbursements with co-learning partners and also enhancing productivity of the branches. So, that's on the gold.

On the business owned product, which is about 34% of AUM, there we have introduced certain other nuances within business loans. So, for instance, we have started the three-wheeler EV product, and there we're doing it through an anchor-based approach where we tied up with an OEM and also with the dealer. So, it's a tri-party and the idea over there is, through an anchor-based approach you are definitely much safer in terms of originating the asset and the dealers also help you recover on any potential delinquencies from borrowers, since the end user is the one that's being funded via the business loan product. Other than that, I think we will be able to spill out more details with the end of fiscal 2024 results, where we will put out a detailed plan for investors on guidance along with the product breakdown.

Aniket Redko: Okay. Thanks. That's it from my side please.

Rohan Juneja: Thank you.

Moderator: Thank you. A reminder to all participants you may press * and 1 to ask questions. The next question is from the line of Nihar Mehta, an individual investor. Please go ahead.

Nihar Mehta: Hi, sir. Good morning. I have two questions. So, recently I've noticed over the last two quarters, portion of the portfolio which were allocated to LAAS, there has been a significant rise from 24% to 34%. So, do you anticipate it becoming the primary segment of the portfolio in the near future?

Rohan Juneja: So, LAAS, which is Lending-as-a-Service as we call it, is the business that we do with these co-lending partners. We started this business in August 2021 with one partner and then the next partner we added was only in December 2022, which was Shivalik Small Finance Bank after Central Bank of India and since then, we have added three other partners which are UGRO Capital, HDFC Bank and DCB bank. So, as these partners have gotten added or co-lending relationships, what we call Lending-as-a-Service, obviously, the portfolio will expand because there's a certain volume commitment that we have given these partners in terms of monthly disbursements. It's gone up to about 41% of the total business today. We anticipate it will be between 40% to 45% of the business going forward as well.

Nihar Mehta: If you could reiterate what potential earnings could be derived from it.

Rohan Juneja: The earnings, the way it works over there is it's an 80:20 relationships. The co-lending partner does 80% of the disbursement while we do 20% of the disbursement. We make a spread on

their 80% contribution, and we make the entire yield on our 20% contribution. We have not broken down what exactly the profit is or the revenue is from that 80% versus the 20% out to investors. That will potentially be part of the business plan that we can spell out post the end of fiscal 2024 as well. So, I think it will be more conducive to do it at that point in time where we will be able to give out annual numbers.

Nihar Mehta: Okay. Lastly, if you could provide some details on the fee structure applicable to LAAS?

Rohan Juneja: So, the structure that it works with LAAS is on the 80% contribution that is done by the partners, we earn a spread on that 80%. Along with that, there's also a split between the income that comes, whether it's through processing fees or several other things that are part of the loan structure. On our 20%, we earn the entire interest yield that is charged to the customer, plus the other charges that are part of the loan processing efforts etc. Now, do also understand that in this, while it may seem very, very conducive, there's also a sourcing, servicing on collection cost associated with it. Because the entire front face for the customer happens to be from the TruCap branches and the entire effort on sourcing, servicing, collection has to be borne by us. So, that entire cost is borne by us, that cost is not given to the partner.

Nihar Mehta: Understood, sir. Thanks for the insight and wish you the best.

Rohan Juneja: Thank you very much.

Moderator: Thank you. A reminder to all participants you may press * and 1 to ask questions. The next question is from the line of Rohan Mehta, an individual investor. Please go ahead.

Rohan Mehta: Yeah. Thank you. Good morning, sir. Congrats on a good quarter. Sir, I wanted to ask if you would look to increase the focus on unsecured loans since the yields are relatively higher in that section.

Rohan Juneja: So, there continues to remain a focus on both the products, the secure and the unsecured product. As a percentage of disbursement, today the secured product is between 80% to 85% of quarterly disbursements, while the unsecured product is between 15% to 20%. In terms of AUM buildup, the secured product takes longer for us. The reason being, it's a gold-backed product, and gold the run-off is faster. So, going forward, I think we will continue to see the relatively same proportions for both the products because the AUM build up for the secured product for us takes longer, given the fact that it's a shorter tail product with gold. So, long story short, it's not that we're going to increase the focus on the unsecured product. But disbursement proportion will remain relatively the same and then it all depends on how fast the AUM build up happens, which is largely contributed by the runoff in gold. So, if I were to give you a number, you would continue to see it in the same proportion as you're seeing it today.

Rohan Mehta: Understood. Thank you, sir and speaking of gold, in terms of our competitive space, even with banks, since banks are relatively going aggressive on the gold loan area, would you see that as a competition for NBFCs or what's your take on that sir?

Rohan Juneja: My personal take is that, see, the gold loan market has always been competitive. It's not that there's not been competition in the gold loan space. Now the question is, who are you competing with? So, we are not looking to compete with banks. We are not looking to compete with many of your other organized players. We are actually, on the contrary, looking to collaborate with them, which is through these co-lending or Lending-as-a-Service partnerships. The market segmentation of who the banks go after and who NBFCs go after also are slightly different. So, their collaboration model works very well, in our view.

If you look at the history of the gold loan market in India, the unorganized market is still almost 65% of the total lending gold market in India. That is where we want to make inroads and take market share away from the unorganized sector. While banks and NBFCs have taken market share away over the last two decades from the unorganized sector, but they still own 65% of the market. So, that is where our focus is. Also, if you look at the ticket size segment where banks operate, it's a higher ticket size relative to us. So, they're also looking to penetrate to a lower ticket size customer through conduits like us and NBFCs who they are forming a co-lending relationship with.

Rohan Mehta: Okay, understood. So, in a way, at some point in future, we could be working in liaison with the bank as well?

Rohan Juneja: We already are right now with them. The co-lending partnership is a very collaborative process and it's a very exhaustive process. So, believe it or not, to tie up with bank for a potential co-lending partnership is a very long process, because not just you have to agree on policy, product and process, you have to agree on risk mitigation, collection, reconciliation, integration. So, it's not that you can just tie-up with someone so easily. There has to be a lot of comfort on the side of the bank, their risk management process, their underwriting process with the NBFC. So, it's a very collaborative process which is exhaustive.

Rohan Mehta: Sir, just to touch upon our lending against property, since that is on the decline, have we completely exited? and as the quarters come by, what would be this impact on our gross NPA of our exit from the LAP loan section?

Rohan Juneja: LAP had, at one point in time, contributed to almost 55% of total NPAs, which is down to about 7% of NPAs today. It's less than 1% of our loan book, which we expect will run down over the course of the next 9 months to 12 months. We don't think the LAP book will contribute to a significantly larger NPAs than 10% of the total NPAs going forward. So, the idea is to resolve the existing accounts, get them out of the portfolio, and that's not a product that we're interested in.

Also, please remember that the LAP product that we did, which was in the first full year of business for us in fiscal 2018 was a slightly higher ticket LAP portfolio catering towards the MSMEs only in the cities of Bombay and Pune. That time we did not have an active branch presence and that time we had no external debt as well. So, it was only done in Bombay and Pune with an average ticket size of about Rs. 30 lakhs to Rs. 31 lakhs. It is not the affordable LAP which many other players are doing today which is in the Rs. 1 lakh to Rs. 10 lakh ticket size segment which has a higher yield. So, our LAP was very different, which is what we recalibrated post IL&FS in September 2018.

Rohan Mehta:

Understood. Thank you, sir. Just one last question, sir. If you could give some color on what kind of investment, we will be doing in technology in terms of to help scale up the disbursements? And if there are any partners on the horizon for us in terms of co-lending?

Rohan Juneja:

So, on the partners for co-lending, I think, you'll see it over a period of time there's only so much I can say at this point in time. The existing partners that we have, we have to give them a certain amount of volume, which our branches are doing at this point in time. I would wait for time for you to see yourself if there are any additions to co-lending partners. Those are discussions that are always in the pipeline.

On your first question on technology, the big focus on technology for us today is to make sure two things happen. Firstly, the customer journey is a fairly easy journey for the customer where there's a very low drop off between lead and login. So, what happens in the industry often times, there is a significant drop off from lead to login, either because the customer journey is not that easy or either the kind of documentation that is required by the lender is too difficult for the customer to give you, because of which the customer becomes not interested. So, the first focus is on that.

And the second focus is then, once a file has been logged into the system, how efficient can you be to make sure that your file gets from login to disbursement or login to rejection in the easiest manner. So, what do I mean by that? The customer should know whether they can get a loan or they can't get a loan and then depending on the terms of the loan on what can be offered to a customer, whether the customer is going to take that or not. So, our biggest focus now is on that. We made certain enhancements to both the products in terms of tech.

So, there was a Gold 2.0 that went live in our loan management system, which is the back end. In the business loan product as well, the BL 2.0 is going to go live, it's in UAT right now, it will go live fairly soon and then we will further enhance it to make sure the productivity rises of our sales force and the collection force so that we can disburse more having the same manpower. So, tech for us is a true enabler to the business on how you scale, how you generate more profitability. We are not an end-to-end digital lender where based on certain algos loans will get disbursed automatically. We do a personal discussion with every borrower below a certain

ticket size, there's a video personal discussion that's done. But we are not an end-to-end algo lender.

Rohan Mehta: Understood, sir. Thank you so much. Sir, we don't have a specific budget to invest in technology, do we?

Rohan Juneja: We do have a budget which is part of our annual business plan that gets presented to the Board. The Board approves the plan, only then that budget gets spent for technology. We had very ambitious plans in certain other things that we were looking to do about two years ago on technology, that has not happened given all the change in regulation that has come up on digital lending guidelines. Now, the simple focus on us from technology and the budget that goes into technology is to enhance scale and profitability. It's as simple as that.

Rohan Mehta: Understood. Fair enough sir. That makes sense. Thank you so much for addressing my questions sir and all the best.

Rohan Juneja: Thank you very much.

Moderator: Thank you. A reminder to all participants you may press * and 1 to ask questions. The next question is from the line of Harsh Sharma, an individual investor. Please go ahead.

Harsh Sharma: Hello. Hi sir, I just wanted to ask, what is the Opex of each branch and do we see any improvement in the quarters coming ahead?

Rohan Juneja: The Opex without any Capex on per branch basis is roughly about Rs. 1.5 lakh a month. You have to remember this is not a traditional business loan branch. This is a traditional gold loan branch where you can now cross sell BL as well. So, for a traditional gold loan branch, our branch structure has four people per branch and then obviously the salaries, the petty cash, all the other expenses, that's about Rs. 1.5 lakh a month and then if you're going to cross sell the BL product, there's an additional cost to that, because the sales people for both the products are different.

You cannot have an intermingling between sales for both the products. There can be a cross sell effort, no doubt about it, but the gold loan sales people and branch people will do the gold loan product. In that branch, you'll have separate people who do the BL product which we have done. So, the idea behind creating a branch structure of a larger size was we first stabilize the branch with the gold loan product and then add additional products on to the branch, which we are doing at this point in time.

Separately, can we serve as a business correspondent or as a co-lending partner on other products with larger lenders. That is also something that is being explored at this point in time.

Harsh Sharma: Sir, could you give any guidance on the cost of borrowing?

Rohan Juneja: Cost of borrowing for us looks high because there is a non-cash charge of a corporate guaranteed expense which we are working with lenders to bring down. That's essentially the non-cash charge only because the largest investor of ours, who's our promoter group, gives the corporate guarantee to lenders on behalf of TruCap Finance. As we have gotten bigger, we have raised debt now, in the last quarter especially, without the corporate guarantee as well. So, I would not like to give formal guidance from the cost of borrowing at this point in time. That will perhaps be part of our business plan that we can share with investors going forward at the end of fiscal 2024.

Harsh Sharma: Sir, if you see the promoter stake has been reducing, could you share some light on that?

Rohan Juneja: I can't give comments on why the promoter stake has reduced. One is, firstly, you're looking cosmetically at why the promoter stake has reduced from 60-odd-percent to about 47% today, the large part of that has happened because of capital infusions have happened into the company. So, the promoter group infused capital into the business, along with key management in November 2020, along with three times prior to that. Post November 2020 and April 2021, May 2022, and very recently as well, external shareholders have invested equity capital into the business. So, that was a natural dilution due to which the promoter stake went down and that quantum was almost Rs. 100 crores. That's number one.

There's been a small amount of secondary sale that has happened by the promoter group, but that was a few months ago and that was in the normal course of business. So, there's nothing out of the ordinary over there.

Harsh Sharma: Thank you, sir and my last question sir is, we see there's an update on the rating of the company, what effect would it have on our borrowings?

Rohan Juneja: So, the last rating update that we had was we got an outlook upgrade from CARE where they maintained the rating at BBB and they updated the outlook to positive. Obviously, our endeavor with the rating agencies is to get an upgrade based on several parameters that they set out, and also on the performance of the company. A potential rating upgrade if and when it happens would be a positive development for the company given the fact that one is not just do additional lines open up with banks, additional lines open up with banks at a lower cost of funding as well. So, we are very, very anxious to try and see whatever we can do to upgrade our credit rating, because it will significantly enhance our cost of funds; and because of that the bottom line.

Rohan Mehta: Fair enough. Thank you so much sir.

Rohan Juneja: Thank you.

Moderator: Thank you. Participants you may press * and 1 to ask questions. As there are no further questions from the participants, I now hand the conference over to Mr. Rohan Juneja from TruCap Finance Limited for closing remarks.

Rohan Juneja: Thank you very much. We look forward to talking with everyone on the next quarter's earnings call. Thank you. Have a good day.

Moderator: Thank you. On behalf of TruCap Finance Limited, that concludes this conference. Thank you for joining us.