"MAS Financial Services Limited
Q1 FY 25 Earnings Conference Call"
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MODERATOR: **MR. SHREEPAL DOSHI – EQUIRUS SECURITIES**

Moderator: Ladies and gentlemen, good day and welcome to the Mas Financial Services Limited Q1 FY '25 Results Conference Call hosted by Equirus Securities. 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 star then zero on your touch-tone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Shreepal Doshi. Thank you and over to you, sir.

Shreepal Doshi: Thank you, Sejal. Good afternoon, everyone. I, Shreepal Doshi from Equirus Securities, welcome you all to the Earnings Conference Call of Mas Financial Services to discuss the Q1 performance of the company, discuss industry trends, and outlook going ahead.

We have the senior management team of Mas Financial Services with us, represented by Mr. Kamlesh Gandhi, Chairman and Managing Director; Ms. Darshana Pandya, Director and CEO; Mr. Dhvanil Gandhi, Executive Vice President; and Mr. Ankit Jain, the Chief Financial Officer. I would now like to hand over the call to Mr. Kamlesh Gandhi for his opening comments, post which we can open the floor for question and answer. Over to you, sir.

Kamlesh Gandhi: Thank you so much, Shreepal, and good afternoon to everyone. I'm very happy to connect once again for the first quarter review. The quarter is consistent to our stated objective have registered around 25% growth in AUM and PAT on a consolidated basis while maintaining very strong fundamentals on all aspects, namely asset quality, capital adequacy, and liquidity.

Just to give you a very brief on our working, we are strengthening our distribution network, both direct and indirect, to create an efficient and scalable distribution model which also covers all geographies, giving us well-diversified geographies across our diversified products. So our endeavour is on diversified distribution and diversified products, and we are working in that direction. We also have a special focus on people and processes by adopting enabling technology and constantly upgrading the same too.

While the detailed numbers will be taken up by my colleague Darshana Pandya, but before that, I'm just giving you an update on our housing finance company, which also grew at a very strong growth of 38% year on year, and we anticipate it to register a growth of around 35% in foreseeable future. This company also grows with very strong fundamentals on all aspects.

I am very thankful to all the investors who have shown tremendous faith in us by subscribing to our QIP of INR500 crores, which was subscribed, as many of you know, multiple times.

And while the details of the numbers are already with you and will be shared by my colleagues, let me throw some light on going forward. So going forward, we remain committed, as I said earlier, to our stated objectives to double our AUM every three to four years and being fundamentally very strong. That is what we have demonstrated over all this journey of close to 28 years across cycles.

In a lending business, how many cycles you go through plays a very important role in judging the performance of the company. And I'm happy to share that across cycles, we have stood the litmus test of all the challenges and have produced the results which are in front of you. So I think that this INR11,000 crores of AUM on a consolidated basis, with a very strong fundamentals on capital adequacy, our niche expertise in serving the segment of vast market size, and our aptitude and attitude to learn, relearn, and unlearn will, I think, definitely help us with a very strong team of close to 4,000 to meet our stated objective of doubling our AUM every three to four years.

So going forward, we see a very bright future ahead of us, a lot of opportunities, and we are sure that we'll be in a position to give our best. So with that, I will be handing over to Darshana Pandya to take over, to give you a very brief on the numbers for the performance for the quarter that is June '24.

Darshana Pandya: Thank you, sir. Good afternoon, everyone. I'm happy to connect with all of you once again. As shared by Kamlesh sir, we have crossed one more milestone this quarter, that is INR11,000 crores AUM on a consolidated basis. So on a consolidated basis, the exact number is INR 11,006.72 crores of AUM, and profit after tax is INR72.56 crores as on June '24, as compared to INR8,867.94 crores AUM and INR57.56 crores of PAT in June'23, which is 24.12% growth in AUM and 26.06% growth in PAT on a consolidated basis.

Coming to the standalone numbers, our AUM grew by 23.35% from INR8,418 crores to INR10,383 crores. And if we look at the segment-wise growth, microenterprise loans grew by 12.49% from INR4,021 crores to INR4,523 crores. SME loans grew by 23.06% that is INR3,074 crores to INR3,784 crores. Two-wheeler loan growth is 17.13% from INR571 crores to INR669 crores. Commercial vehicle loan grew by 82.28% that is from INR448 crores to INR817 crores. And SPL loan, Salaried Personal Loan grew by 95% from INR303 crores to INR590 crores.

So major growth is contributed by MSME segment, that is 62%. And next is around 24% from wheels portfolio and 14% from SPL's loan book. If we look at the profitability numbers, total income grew by 23.71% on a year-on-year basis from INR280 crores to INR347 crores. Profit before tax grew by 24.53% from INR75.80 crores to INR94.39 crores. Profit after tax grew by 23.02%, INR57.25 crores to INR70.43 crores.

If we look at the quality of the portfolio, it is very strong. Portfolio quality remained stable and strong at 2.29% Gross Stage 3 asset and Net Stage 3 asset is 1.52% as compared to 2.25% Gross Stage 3 and 1.51% Net Stage 3 as on March '24. We still carry a management overlay of INR17.60 crores as on June 24, which is 0.22% of our on-book assets.

Looking to the housing performance, here also. we registered a very strong growth. AUM grew by 38.44% from INR450 crores to INR623 crores. Total income, there is a growth of 36.91% from INR13.61 crores to INR18.63 crores. PBT grew by 38.46% from INR2.02 crores to INR2.80 crores. Profit after tax grew by 36.41% from INR1.59 crores to INR2.17 crores.

If you look at the quality of the portfolio, the gross stage 3 asset is 0.90% and net stage 3 asset is 0.65% as compared to 0.90% gross stage 3 and 0.66% net stage 3 as on March 24. Here also, we carry a management overlay of INR3 crores, which is 0.63% of our on-book assets. So, this was all about our performance for both the companies.

Now, I will request Ankit to take us through the liability management.

Ankit Jain: Thank you, ma'am. Good afternoon to all. To elaborate on the capital and liability management, company through its efficient liability management was able to maintain an average cash and cash equivalent of around INR800 crores excluding the QIP proceeds of INR500 crores and unutilized cash credit facilities of around INR600 crores.

In addition, the company as on 30th June 2024 has sanctions on hand to a tune of INR2200 crores in the form of term loan, direct assignment and co-lending.

In the last quarter, the company did around INR600 crores direct assignment and co-lending transactions. Co-lending transactions were under CLM 2. The company further has around INR1500 crores sanctions on hand, which we plan to utilize during the year.

We aim to maintain around 25% of the AUM as off-book through direct assignment and co-lending.

The company has available cash credit facilities of around INR1700 crores, out of which average utilization was 70% to 75% and rest portion was kept as liquidity buffer. We raised around INR490 crores term loan during the quarter, having an average maturity of 3 to 5 years. We further have around INR725 crores term loan sanctions on hand.

In terms of capital market transaction, we raised INR150 crores NCD during the quarter.

We are strongly placed with respect to structural liquidity for the period as of 30th June 2024 whereby liquidity is adequate and the cash flow in all the cumulative buckets remain positive.

As you all know, during the quarter, the company raised INR500 crores equity through QIP. This QIP marked the first equity raised by company since its IPO in 2017. The capital adequacy remains strong at 28.59% for the quarter, with Tier-1 capital of 25.39% and debt equity of 3.08 times.

The cost of borrowing for the quarter was 9.80%. The cost of borrowing for June quarter last year was 9.65%. If you compare with March number, it has remained stable. We expect the cost of borrowing to remain stable going forward too. This is all on capital and liability management and now we are open for Q&A round. Thank you.

Moderator: Thank you. We will now begin the question-and-answer session. The first question is from the line of Shubhranshu Mishra from PhillipCapital. Please go ahead.

Shubhranshu Mishra: Good afternoon, sir, and thank you for the detailed presentation. I just have one question around the distribution channel, which is retail asset channel and direct retail. I just wanted you to describe this. Is this something different from our on-lending that we do towards the NBFC?

Kamlesh Gandhi: Yes, that is indirect retail channel.

Shubhranshu Mishra: This is totally through our own channel. Retail asset channel is through our own employees and direct retail distribution, can you just provide some explanation for that?

Kamlesh Gandhi: If I give the breakup of direct and indirect in terms of working, direct retail distribution is a distribution where our direct branches and our channels and our people are involved directly on a loan-to-loan basis, whereas in indirect retail distribution, we use NBFCs based on a loan-to-loan basis, whereby we have adequate control on all the retail assets created by our channel as I have shared a number of times the way we have the control. This is a 15-year model now. We started in 2010-11, so close to 14-15 years old model, whereby the partner NBFCs are funded in order to create the assets, the same assets which we do directly. So that is our indirect.

Shubhranshu Mishra: I understand that, but I have been tracking MAS Financial for some time, so I am a little confused as to this retail asset channel, does it mean NBFCs or does it mean …

Kamlesh Gandhi: That is NBFCs.

Shubhranshu Mishra: So, 34% are on lending to other NBFCs essentially.

Kamlesh Gandhi: That's correct, yes.

Shubhranshu Mishra: And when we say that we are going to double our AUM in the next three to four years, what proportion would come from our distribution versus NBFCs? So what do we see the three to four years from now, what this proportion would become?

Kamlesh Gandhi: We value both the distributions given their track record over all these years, but having said that, our direct distribution will increase at a faster pace. So, when we double our AUM, what looks like 65% through our direct distribution should be around 70-75% through our direct distribution, and 25-30% through our indirect distribution.

Shubhranshu Mishra: Understood, sir. And this retail asset channel also includes our FinTech partners for personal loans?

Kamlesh Gandhi: Yes.

Moderator: Thank you. The next question is from the line of Abhijit Tibrewal from Motilal Oswal Financial Services. Please go ahead.

Abhijit Tibrewal: Yeah, good afternoon, everyone. Thank you. Congratulations on a good quarter. Just wanted to understand, in terms of loan growth or AUM growth, we typically guide for 20-25%. But when I look at this quarter, right, I mean, in this quarter, we have grown by about 2.5% Q-o-Q in the standalone. So I mean, looking at the last few quarters, this growth looks a muted. So if you can just explain what are those factors that led to a little bit of a muted growth in this quarter?

Kamlesh Gandhi: First of all, we don't plan our activities too much on quarter to quarter basis, it is on an annual basis. So we still continue to maintain our growth trajectory of 20%-25%. Looking to this quarter, the usually Q1 is weaker as compared to the other quarters in our retail finance industry.

So one of the factors that contributes for the lesser growth on a quarter to quarter if you measure is the normal tendency of the market to grow slow in Q1. Accompanied by certain events like elections and a tremendous heat wave also contributed to a certain extent, where ideally, if you ask me, we would have liked to grow it around quarter to quarter at around 3.5%-4% in first quarter. Instead of that, we have grown it around 2.5%-3%. But we are good with that. And we don't see too much on quarter to quarter basis and quite on trajectory to have over 20%-25% growth on the yearly basis.

Abhijit Tibrewal: The second question was around the cost of borrowings and margins. I mean, especially after the credit rating upgrade, I'm guessing we've been able to negotiate better with banks in terms of the spreads that they used to charge over MCLR, which is also reflecting in our cost of borrowing remaining stable to a minor decline in the cost of borrowings. I mean, how should we look at margins going ahead, especially given the fact that the retail direct distribution is ramping up well, which will essentially mean better yields? So how should we now look at cost of borrowings and margins over there?

Kamlesh Gandhi: So to answer from the rating perspective, I think the rating has been upgraded and it will take its time for getting the rates recalibrated whenever the MCLR are reset. And secondly, given the overall scenario, we don't see that coming down very soon. So we'll be maintaining the trajectory, what it is currently now.

Secondly, on the spread, I think we currently maintain close to 7% of NIMs. And after that, we maintain anywhere between 2.8% to 3% of ROAs. So, when we increase our retail distribution, whenever in terms of distribution, I have always maintained that whether it is indirect retail or direct retail, the right way of looking at it at the ROA tree is what is the ROA we are going to save at the end of the day?

And it will be anywhere between 2.75% to 3.25%. Because if our yields increase, the expenditure will also increase in terms of operations and the credit cost, which right now is upfronted to our NBFC partners. So going forward, we see this ROAs and NIMs not to be affected much by our shift in the distribution. And we see ROA in the range of 2.75% to 3.25%. But we see some expansion in NIMs because of the advantage of the rating upgrade over a period because of the lower cost of funds, which will be able to raise hopefully within the next few quarters. We should maintain our ROA in the range of 2.75% to 3.25%.

Abhijit Tibrewal: One last question that I had was, we have also given out in the press release as well as in our opening remarks that majority of our growth was contributed by the MSME segment in the last

12 months, 62% to be precise. And given the government's focus on this MSME segment in the budget as well, I mean, have you had a chance to kind of look at, I mean, how many of our customers are really MSMEs with Udyam certificates, and who will then become eligible for a lot of these thrust which is there on MSMEs from the government?

Kamlesh Gandhi: Practically each and every borrower that we serve in MSME is Udyam registered. Because whom do we serve? We serve small businesses, small enterprises into various type of businesses. We serve close to 300 different type of businesses across the geographies we operate. So when we talk about MSME, practically everybody, including our commercial vehicle business, even commercial vehicle business is considered as MSME. So they are Udyam registered and they will be eligible for the benefits which the government contemplates to give.

Abhijit Tibrewal: This is all from my side. Congratulations again and wish you the very best.

Kamlesh Gandhi: Thank you so much.

Moderator: Thank you. The next question is from the line of Sarvesh Gupta from Maximal Capital. Please go ahead.

Sarvesh Gupta: Good afternoon, sir. Sir, on your DPD profile, we can see some spike, you know, both on a Y-o-Y basis. I mean, Q-o-Q is understandable. Generally, there is some heightened, you know, numbers in the June quarter. But even on a Y-o-Y basis, we see some spikes. So is it more to do with elections or, you know, this has been seen in many other, your peers as well. So is there a sort of a credit deterioration that you are seeing amongst your customers to an extent? Or is it more to do with elections and heat waves this year compared to the previous year?

Kamlesh Gandhi: Yes. So if you see our current portfolio is somewhat around 0.6% less than what you would have anticipated. It has nothing to reflect on the deterioration on credit quality. It is just because of some limitations on efforts on collections because of elections and heat wave, which will be well recouped now, or it has already started recouping now. So we had a marginal drop in our current portfolio by 0.6%, which we would have liked to have than what we would have liked to have. That was more to do on our efforts on collections rather than the deterioration on credit quality.

Sarvesh Gupta: So now in the months of June and July, are you seeing sort of a normalization on these fronts from a Y-o-Y perspective? Or is this still elevated?

Kamlesh Gandhi: It will take one or two quarters before it really normalizes. And secondly, as we increase our retail portfolio directly, I think there will be some recalibration on the DPDs within the DPDs less than 90 DPDs. So as we increase our retail distribution directly, the borrowers whom we serve, we need to bear with them below 90 DPDs.

Currently there was a lot of demand from the MSME segment, especially to reclassify their definition of NPA from 90 to 180, as such as an industry body of NBFC, we have been advocating this since long. But having said that, within that 90 DPD bucket, there can be some recalibration, maybe of 0.5% or 0.6% here or there, but nothing to reflect on the credit quality or any stress on the assets.

Sarvesh Gupta: Understood. And if I look at your growth profile, I think a lot of this growth has been driven, of course, MSME, SME is the mainstay, so of course growth has been there. But I think a major contribution has come from your salaried loans as well as affordable housing.

So my question is that, because we also would want to cap these, especially the salaried personal loans at 10% or so. So now, in future, do you see newer engines being developed by the company which can sort of take the growth path ahead of that 20%-25%, because once these are capped, let's say, they are growing very fast and they might reach sort of a ceiling in five or six quarters? So then how do you grow at the same pace?

Kamlesh Gandhi: We have our internal plans drawn for the next around three years, that is almost 12 quarters, as to how we should reach to the next benchmark from INR10,000 crores to INR20,000 crores within the next three to four years. And within that, the key contributor will be the SME, the affordable housing, the wheels, and to an extent, salaried personal loan within a cap of less than 10%. So, there is an internal plan drawn very meticulously to say to that that we register the growth or we get the growth as targeted. So, SME, affordable housing, and the wheels, along with obviously the MEL portfolio and to an extent PL, in that priority, will be driving the growth forward. And we are very confident of getting that in that order.

Sarvesh Gupta: Okay, understood. Sir, finally, just one suggestion on the presentation. I think we see too many of second decimals everywhere. I don't think it is required to have such an exact figure. I think it would be better if you can consider maybe less exact numbers which can portray the same message. Just a suggestion. Thank you, sir.

Kamlesh Gandhi: We'll work accordingly on that.

Sarvesh Gupta: Thank you, sir.

Moderator: The next question is from the line of Omkar Kamtekar from Ascendency Academia. Please go ahead.

Omkar Kamtekar: Thank you for the opportunity. And the first question what I wanted to ask was on the overall yield, can you suggest what is the overall yield of the portfolio?

Ankit Jain: Overall?

Omkar Kamtekar: Overall AUM yield?

Darshana Pandya: So overall yield on the AUM is around 17%.

Omkar Kamtekar: 17%, okay. And in view of the credit rating upgrade that we have received, where do you see the cost of borrowing settling maybe over the next three to four quarters?

Kamlesh Gandhi: Difficult to give an exact number, but there should be compression in the borrowing…

Ankit Jain: See, we have to look in two perspectives. So though we expect that this cost of borrowing to come down from 25 basis to 30 basis point, but the other way we have to see also that banks MCLR are also increasing. So, keeping in mind, therefore, we are into a trajectory where we see that it should be stable. But our hard try is to bring it down by at least 20, 25 basis point.

Omkar Kamtekar: Okay. And do we plan to take any rate hikes in the loans given or have we taken any in the recent quarters?

Kamlesh Gandhi: That recalibration happens continuously in line with our stated objective of NIMs and ROAs and our operational cost. So every region and every product has differential pricing with a view that it meets the stated objective of our NIMs of close to 7% and then the ROAs accordingly. So that is a very continuous exercise and endeavour at the company's end.

Omkar Kamtekar: Understood. And with respect to the geographical expansion of the organization, we have a very good stronghold in the Central and Western parts of the country with Gujarat, Maharashtra, Madhya Pradesh, Rajasthan being the stronghold four states. Where do we see the expansion carried out with much more rigor so that our footprint grows? Which geographies are we specifically targeting or is there just a blanket method?

Dhvanil Gandhi: So as you can see from the recent expansion in last four to six quarters, we are trying to develop South and North as well. So as you rightly mentioned, Western region, we are covering -- we more or less have a carpet presence, but we are trying to set up our base for next three to four years of growth from South and North as well. So Southern states will start contributing meaningfully.

Omkar Kamtekar: Any specific state that you are targeting or is it just a blanket?

Dhvanil Gandhi: The three bigger states, Tamil Nadu, Karnataka and AP Telangana. These are the three states where we have started setting up our foothold and footprint and these are the three Southern states that we will be focusing right now.

Omkar Kamtekar: Okay. Finally, a few statistics. What is the general turnaround time that we have for processing of application from logging to the dispersal?

Dhvanil Gandhi: So every product will have a different turnaround time. The more smaller loans, like two wheeler, PL and all have a turnaround time of approximately one day. So there can be same day approval disbursement or one to two days. The slightly bigger ticket size SME, MEL loans will take anywhere between three to five days and housing will be around five to seven days. So that is how the TAT is.

Omkar Kamtekar: And what is the runoff? So the total repayments that we receive on a quarterly or annualized basis, the total portfolio runoff, any idea?

Ankit Jain: So it depends on type of product which we build up every quarter. But generally, it lies between INR2,000 crores to INR2,500 crores.

Omkar Kamtekar: INR2,000 crores to INR2,500 crores runoff every…?

Darshana Pandya: Quarter.

Omkar Kamtekar: Sorry, I did not get that.

Ankit Jain: Every quarter run down is between INR2,000 crores to INR2,500 crores.

Omkar Kamtekar: Understood. Thank you. That's it.

Moderator: Thank you. We have a follow-up question from the line of Shubhranshu Mishra from PhillipCapital. Please go ahead.

Shubhranshu Mishra: Hi, sir, two questions. The first one is given the fact that we spoke about our geographic expansion and our focus on South. When you look at the credit growth to GDP of the Southern states, they are more than the country's average, which means that organized credit is more superfluous versus the rest of the country. Also, these states are way more urbanized. So, any specific strategy we have and how are we changing our hiring in order to enroll into these southern states? That's the first.

Second is on the budget announcements around SME. Now, I just wanted your honest thought on all these measures that have been announced. Does this create a negative credit culture because the government also wants to get into the SMA zero category and wants the lenders to go and lend to them as well? At least that's the intent. There are various other measures like announcements like giving up without a collateral. So, just wanted to understand your comfort around that and your honest opinion. And the first question. Thanks.

Kamlesh Gandhi: So, in terms of the penetration, as far as southern states are concerned, I think while at a macro level it looks like they are saturated. But when you really work at the ground level there are a lot of opportunities on replacing certain finances. If you see southern states still have the largest number of private finances across the product.

So, there is a lot of opportunity replacing so many such finances and the new demand generated from time to time. So, our practical experience from these states are such that we are in a position to grow the portfolio with quality. As you know that we are the ones, we are the company who will focus not only on the top line but also with the quality of the assets. So, at the ground level the reality is that we are getting sufficient opportunities to the extent we want to develop the southern states and which will be very miniscule in terms of the total market size there.

My response to your second question on the various budget proposals around MSME, I think we have been funding this sector right from that Loan Mela days by nationalized banks to the current days, whereby it is very company specific or the lender specific on how you have your credit screen designs and how you lend to them. The quality of the portfolio irrespective of all the developments, budgeted developments or non-budgeted developments will have a very limited impact if you as a lender are quite circumspect on where you want to lend and how you should lend.

Because at the end of the day, if your assessment is good enough to ensure that the repayments are done timely and the one common denominator for a good assessment is a calibrated growth, what gives you an opportunity to do the to extend credit where it is due are the growth targets. If you keep your growth constant, your assessment becomes variable. If you keep assessment constant the growth can be variable.

So, that's why we always believe in growing at 20% to 25% and that is where I think it's company specific and should not have a much problem if you continue with that. Because these are very dynamic things as far as the culture is concerned, a lot of things comes in day in day out during the election, post-election, pre-election, also during some of the government schemes, which many of the borrowers may misuse. But as a lender, if you follow what I shared with you, you can ward off those at such a rate.

Shubhranshu Mishra: Sir, one question remains unanswered. How are we changing our hiring strategy especially with respect to getting more inroads in southern states? Any changes, any fresh guys are we hiring or are we hiring guys who have been in and around southern states and various other NBFCs or banks?

Kamlesh Gandhi: So, nothing changed in the strategy. See, right from the beginning, we would like to have the combination of freshers and experienced and take the experienced guys at the senior level have a hybrid of experienced and freshers at the junior level. That is what balances your cost. And obviously, when we talk about experience the relevant experience comes from the ones who are into NBFCs or banks. So, that area is increasing very fast, whereby you can get the required talents. But at the same time the numbers look like a lot of talent is available. But at the end of the day, you have to work very hard to get the right talent at place. But in terms of strategy, strategy remains the same hybrid of experienced and freshers coming from the sector.

Shubhranshu Mishra: Understood, sir. This is very helpful. Best of luck for the next few quarters.

Moderator: Thank you. The next question is from the line of Shreepal Doshi from Equirus Securities Private Limited. Please go ahead.

Shreepal Doshi: Thank you, sir, for giving me the opportunity. So, my question was on commercial vehicle segment. So, that particular segment has seen a very sharp growth for us during the quarter. So, could you please throw some light as to what really aided this growth in terms of was it all used or there was some component of new vehicles as well? And how are you seeing the industry at large within this segment?

Kamlesh Gandhi: If you see in commercial vehicle, we are predominantly into used commercial vehicles. And just to share with you, we have been in this business since long. We have renewed our focus of lead because given the better opportunities on getting risk adjusted returns. So, our renewed focus is helping us. We are introducing the product so many areas of operations.

We are doing the hiring aggressively. And we have already shared that we want wheels to be around 25% of our portfolio going forward. And if you take some of the CRISIL surveys, we see next 5 years wheels growing at this large market of vehicles anywhere around 19% to 20%. So, we see a lot of opportunity within the next 3 years, 5 years to expand our wheels portfolio comprising of used commercial vehicle, used cars and 2-wheelers. So, this is a result of our renewed focus on this segment, even the change in the risk adjusted return scenario.

Shreepal Doshi: And so, what is the kind of pricing that we are able to enjoy in this segment?

Kamlesh Gandhi: The pricing is dependent on the models and the geographies we serve. If we give the range, it can start from 16%, 17% to around 20%, 21% depending upon the models and the geographies and the tenure that are given. But on an average, we are in a position to get around 19% to 20%.

Shreepal Doshi: Sir, just one question for salaried personnel and 2-wheeler segment. So, typically, what would be the customer CIBIL score in the salaried personnel segment that we do?

Kamlesh Gandhi: It will be more than 700. That is one of the criteria what we have kept. And even in our assessment standards, we have seen that the ones scoring less than 700 are not rendered eligible as per our credit assessment.

Shreepal Doshi: So, just one last question was on disbursement front. So, we do not provide anything the standalone disbursement number. So, if you can highlight that in the call or could start providing from the next quarter, we will be very helpful, sir.

Kamlesh Gandhi: So, we will do it. So, we will be giving the disbursement numbers. So, we are more focusing on AUM because while disbursement is important, but at the end of the day, AUM matters a lot because the company makes an interest on the outstanding amount. So, we will get the numbers, and will start sharing the disbursement numbers also product-wise.

Shreepal Doshi: Thank you so much, sir. That is my question.

Moderator: Thank you. As there are no further questions, I would now like to hand the conference over to Mr. Shreepal Doshi for closing comments.

Shreepal Doshi: Thank you, Sejal, once again, and thank you to all participants for being part of the call. Special thanks to the Management of Mass Financial for giving us the opportunity to host the call. Thank you all and have a good evening.

Moderator: Thank you. On behalf of Equirus Securities Private Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.