India, November 11, 2014

Analyst / Investor Conference Call

Second Quarter FY 2014-15

Aniket Mhatre: Good evening everyone and welcome to the post results conference call of Apollo Tyres. From the management team, we have with us Mr. Gaurav Kumar – Group Head, Corporate Strategy & Finance; Ms. Ritu Kumar – Head of Financial Planning & Control and Ms. Swati Taori, Group Manager, Accounts. I would now request Gaurav to begin with his initial comments on the results and then we can start the question and answer session.

Gaurav Kumar: Good evening everyone. As a practice, I will begin with a brief opening comment and then we would be happy to take your questions.

Consolidated Sales for the quarter were at Rs. 33 Bn, a degrowth of 4% over the same period last year which was primarily a result of the fact that we had sold a large part of our South African business last year which is not there in this year. EBITDA for this quarter was at Rs. 4.9 Bn at 15.0% margin compared to a 13.2% margin for the same period last year, so a significant uptake in the operating profit. The raw material cost for the quarter came down by 7% vis-à-vis the same period last year, though on a sequential basis the decline was 2%. In terms of the revenue mix, the quarter's replacement sales were at 79% and the balance 21% from OE.

Truck tyres contributed 46% to the revenue and car tyres contributed 36%, more or less in line with our usual trend. For the 6 months of the current year, the sales were at Rs. 65.4 Bn down by 1% compared to last year, again a result of the South African factor. EBITDA margin moved up from 12.8% last year for the 6 months period to 14.1%. The net debt was at Rs. 9.3 Bn with a net debt-to-equity ratio of 0.2. Sequentially, there was an increase from Rs 6.3

Bn, essentially due to an increase in inventory. Looking forward on the raw material front, we expect a slight increase in the next quarter.

Moving onto specific operations and starting with our India operations; sales for the quarter were at Rs. 22.4 Bn, up by 6%, with growth coming mainly through volumes. EBITDA margins on the back of the raw material prices moved up from 13.0% to 14.6% and a similar kind of movement on the net profit level which was up from 5.2% to 7.2%. For the first half year, the top line grew by 6% and the operating margin improved from 12.4% to 13.6%. The net debt for the Indian operations moved up sequentially from about Rs. 10 Bn to Rs 12 Bn, essentially on account of increase in inventory. We had done a certain level of production assuming a pickup in sales going into the festive season which did not materialize and hence resulted in larger inventory. In terms of revenue segmentation, 23% of the revenue for Indian operations came from OE and the balance from replacement including exports. Truck tyres contributed 64% of the revenue and car tyres contributed 17%.

Moving onto South Africa operations; sales for the quarter were just short of Rs. 2 Bn and at a net profit level, the operations were breaking even. Some of you are aware that we have as of mid-September, 2014 announced and gone into business rescue in the South African operations anticipating some of the financial challenges that we were facing and those would have continued to worsen. Right now, that process is going on, where an externally appointed business rescue practitioner is deciding as to what is the best way forward and paying off all the creditors.

Moving onto the European operations; sales for the quarter were at Rs. 9.7 Bn, a 5% degrowth over the same period last year. While we grew in volume, the negative impact of price and mix on account of weak raw materials and exchange rate resulted in degrowth. However given the overall situation, the EBITDA margin for the operations improved from 15.0% to 17.1% significantly moving up. For the first half year, the sales were at Rs. 18 Bn, a growth of 5% over the same period last year. Similarly, EBITDA margins improved from 15.5% to 16.5%.

In terms of the current scenario, the Indian demand showed some signs of pickup, but overall scenario remained weak and while our plant utilizations have moved up from the mid-70s, they are still just at 80% plus leaving us with a scope in terms of utilizing those capacities.

That is all from our side. We would be happy to take your questions.

Jatin Chawla

Credit Suisse: My question is on your outlook on the raw material side where you mentioned that you expect a slight increase in raw material going forward. With the kind of decline that we are seeing in crude, one would have expected the outlook to remain benign.

Gaurav Kumar: The outlook given by our procurement team is a slight increase. Rubber through the last quarter has almost bottomed out. We do not expect it to go down any further and even on the other raw materials front; we only see a slight upward movement there. I am in agreement with you that from a demand perspective, we do not see anything significant happening, but raw materials are also at pretty much rock bottom levels.

Jatin: How long does it take for the decline in crude to feed through to some of the other raw materials like synthetic rubber, tyre cord fabric, etc. that you use?

Gaurav Kumar: There is a relation, but not a very straight one. Typically one would expect a couple of quarters lag, but each of them have their own demand supply scenario and hence, sometimes do not just follow the crude cycle. For example, synthetic rubber has not come down in the last 2 quarters while crude has gone down.

Jatin: You mentioned that there was an inventory increase because you built some production assuming festive season pickup. Was it more on the passenger car side or on the commercial vehicle side?

Gaurav Kumar: It was for both passenger car and commercial vehicle.

Pramod Amte CIIMB: With regards to Europe, what is the feeling in terms of demand and the production outlook for the coming quarter, because seasonally Q3 is a very strong quarter for you. So what is happening in Europe in terms of volume and pricing scenario?

Gaurav Kumar: Europe seems to be stable. There are still worries about the economy, but in terms of passenger car demand, it seems to be going good. It is in the positive zone, though not great, but still there is positive growth. Indeed, third quarter is seasonally our best quarter and as of now, we are in early November. Somewhere over the next couple of weeks, a strong winter coming in the countries like Germany, Austria, and Switzerland would be a good thing for us and we would hope for that. Otherwise on a top line front, as I mentioned for the first half year we have grown by 5%, a little ahead of the industry in terms of volumes and we have given away some part of the growth, in prices where the industry having reached a certain margin level is passing on the raw material benefit to the customer. We would continue to expect to operate at peak capacity again through this quarter. Even in the last quarter, we operated at 90% plus levels there.

Pramod Amte: At what level are the shipments of Apollo branded tyres in Europe now, and what has been the progress in the last couple of quarters on that side?

Gaurav Kumar: I do not have the number readily for this quarter, but the overall target for this year was about a million tyres.

Pramod Amte: But any feel of what you have achieved till now?

Gaurav Kumar: We were running a little behind budget. Broadly, I do not have the exact numbers. So as of now, we are running behind that million mark target for the full year.

Pramod Amte: Coming to the standalone business, are these 14 odd percent margins sustainable or what is the broader feeling you have?

Gaurav Kumar: It is difficult to give out a margin guidance, but if everything remains in a stable scenario, then there is no great pressure coming into say that prices should be crashing unless some industry participant decides to take that action. As of now, it is a fairly stable state scenario.

Basudev Banerjee
Antique Finance: What was the volume and price mix change year-on-year for standalone business this quarter?

Gaurav Kumar: The topline grew by 6%, of which 7% increase was from volumes and there was a negative impact of 1% on price and mix.

Basudev Banerjee: What was the landed cost of basic raw materials natural rubber and carbon black etc. for you in this quarter?

Gaurav Kumar: Rubber was at Rs. 150 per kg, synthetic rubber at Rs. 140 per kg and carbon black at Rs. 87 per kg.

Basudev Banerjee: Your other expenses have shot up quite a bit on a sequential basis whereas your revenue did not move up. Any specific incremental expenses or one-offs you can highlight?

Gaurav Kumar: Yes, on the other expenses side, there was an increase in marketing related scheme expenses and some of the advertisement expenses related to our campaign with Manchester United.

Basudev Banerjee: So those line items are going to sustain in the cost or that was just a one quarter expense?

Gaurav Kumar: No, they are going to sustain and also there was an increase in freight cost. Given our broad direction of building up the corporate brand, they would be there as continuing expenses.

Jasdeep Walia
Kotak: What is the gross debt number as of the end of Q2?

Gaurav Kumar: Rs. 16.5 Bn.

Jasdeep Walia: What was the trend in volumes in terms of growth parameters in second quarter in Europe?

Gaurav Kumar: In Europe, our volumes grew by 2%.

Jasdeep Walia: And how does it compare with the industry?

Gaurav Kumar: It is in line with the industry. The latest industry data for the quarter has not yet come in, but we believe that we grew in line with the industry.

Jasdeep Walia: Could you take us through the status of your expansion projects in India and Europe, what is happening there?

Gaurav Kumar: In India, we are finalizing the machinery selection, etc. So, the project would start from 2015 in terms of placement of machinery orders etc. and would take about 18 months for both the projects which is the Chennai expansion on truck radial and the industrial tyres. On the Europe side, we continue to move forward on the preparation phase. Work relating to environmental impact assessment and approval is underway. We have also made certain key recruitments locally in Hungary in terms of human resources and people responsible for training, day-to-day accounts etc. We are on target to start construction somewhere in the spring of 2015 as we have said earlier.

Jasdeep Walia: And what will be the capex this year?

Gaurav Kumar: For rest of the year apart from maintenance capex, I still do not have a fixed time on when actually the placement of machinery orders for India will start. There may be a small outflow in terms of advances. On the European front, in Hungary, we may have about 20-25 million Euros of expenditure this year upto March 2015.

Jasdeep Walia: What will be the maintenance expenditure this year?

Gaurav Kumar: Maintenance expenditure for the entire company is about Rs. 2 Bn. We should be more or less in line with that trend.

Ashutosh Tiwari
Equirus: Regarding the growth in India of 6%, how much growth you have seen in PCR and how much in truck?

Gaurav Kumar: I do not have the industry data as it is no longer published, but for ourselves, truck would have grown slightly below double digit and passenger car at about 15%, but then there are other segments like farm etc. where there is a degrowth.

Ashutosh Tiwari: So both passenger car and truck have grown well for you, the decline is mainly in farm segment?

Gaurav Kumar: Yes.

Ashutosh Tiwari: Regarding depreciation in the quarter, the standalone is at Rs 677 Mn. So going ahead, will the same kind of numbers be there or will they move?

Gaurav Kumar: As of now, it would be at similar levels. Once we start with the capex and its booking, the number would increase.

Ashutosh Tiwari: For European operations, how does the depreciation of Euro versus INR works on inventory when you report in INR? Do we have to take mark to market there or a quarterly basis?

Swati Taori: Actually the inventory is not mark-to-market. We consolidate or translate all our P&L balances at an average rate. So, to the extent that the average moves, our INR number also moves. The impact on the books is only to the extent of this translation difference. There is no MTM loss which we book for inventory.

Aditya Makharia
JP Morgan: Last year we saw 30% or in that range kind of volume growth in your European operations because you were expanding into various segments and

you had the currency benefit. Going forward, does this come down materially because you hit a base effect?

Gaurav Kumar: To a certain extent, we did mention last year that the kind of volume growth we had achieved vis-à-vis the industry was significantly higher and not something that could be repeated every year. Also there is a certain amount of constraint from a capacity perspective and hence work is on in terms of making sure that as the new capacity comes on stream which is still a couple of years away, we keep growing the volumes. But yes, we have grown more or less in line with the industry and there are no further gains from the currency.

Aditya Makharia: The one million tyres which you mentioned is what you target for Apollo to sell in Europe. So, are these primarily exports?

Gaurav Kumar: Yes. The one million tyres that I mentioned is the target of shipment out from our India plant to Europe primarily in Apollo brand. There is a little bit of Vredestein brand also manufactured in India, but bulk of it is in the Apollo brand sold in Europe.

Aditya Makharia: On the India revenue, you said your pricing was down 1%. What was the price cut that you had to pass on to the OEMs?

Gaurav Kumar: With most of the OEMs, there is a formula driven pricing. So as such, we have not taken a price reduction. It moves up and down linked to the raw material and that could have impacted and then there may be a small mix impact.

Aditya Makharia: But just wondering how do you account for the revenue because let us say if you are taking price increases due to rise in rubber prices, does that reflect in your top line?

Gaurav Kumar: No, in the sense that we have not announced any price change in the replacement market. With the OEs based on the pricing formula, there would have been some impact on the pricing and the other is between various segments. As their volumes move up or down, there is an impact coming on the overall realization.

Disha Sheth

Anvil Shares: What is the replacement growth and OEM growth both in truck and bus and passenger cars in Indian operations?

Gaurav Kumar: We would not be able to share those details.

Disha Sheth: For the industry if you can share just to get an idea?

Gaurav Kumar: I do not have the industry figures as they are no longer published. Our belief is that the OE numbers continue to be weak. Replacement is very small growth as of now. So overall, the industry volumes are at very low growth.

Disha Sheth: You mentioned that truck and bus and PCR have both grown double digits, but we have grown by 6%. So just wanted to know the breakup?

Gaurav Kumar: Truck sales growth is less than double digits. Passenger car is in double digits, but then there is degrowth as I mentioned in segments like farm tyres.

Chirag Shah

Edelweiss: How one should look at your profitability trajectory going ahead. Most of the raw material benefits are there. Is there a case of price cuts happening in India or is it already happening and that is why margins are lower than what the potential margins could be? How should one look at this particular side of business?

Gaurav Kumar: Our belief is that raw materials are pretty much at their bottom level. So, we would not place hope on the likelihood of that going down further. No significant price cuts are being taken, but there is off and on discounting and marketing expenses that are incurred. We ourselves as I mentioned a little while back had an increase in marketing schemes related expenses and that is followed on a quarter-to-quarter or on a monthly basis by different players where one would try to garner volumes in the weak demand scenario. So yes, the entire benefit of raw material has not flowed through on the profitability front because there is increase in expenses where people are trying to grow volumes. How the trend would continue is a difficult one. We do not give out margin guidance. So, I would not like to comment on where the future profitability would lie.

Chirag Shah: Fair point, but what I was trying also to understand that apart from your direct expenses which is visible in your other expenses, which is like almost 200 bps higher sequentially and even YoY, are there any discounts which are sitting in your topline in a big manner because you highlighted that mix and pricing net impact is 1%. So is there anything to look into it that the pricing impact is much higher and mix is still favorable for you?

Gaurav Kumar: I would not have details to that level, We would also be following certain discounting schemes but how much of that has contributed into that (-1%) vis-à-vis the mix, I do not have that breakup.

Chirag Shah: And any flavor if you can share in general over last 3 months or last 6 months, about the trend in terms of higher incentives or higher discounts. Is it stabilizing or is it still on an upward curve? How it is playing out in India?

Gaurav Kumar: To my knowledge, there is no increase in further discounting. If anything, the capacity utilizations have gone up slightly for us and we have not outpaced the industry that significantly that it would have pushed others down. From an overall capacity utilization perspective, we moved up from mid-70s last year into the early 80s. So from that pressure point of view, it is not there.

Nishit Jalan
Nomura Securities: On the domestic business, what kind of a lag do you think will be there in pickup of replacement demand from the time when we start seeing improvements in overall industry sales? For example if MHCV volumes pickup in H2, when do we expect to see improvement in replacement demand?

Gaurav Kumar: It is difficult to give exact time factor, but bear in mind that replacement particularly on the truck tyre side are both lead and lag indicators. So when there is a pickup in the economy, the freight movement increases and the first signs of that are felt by the replacement segment even before demand kicks in the OE. And then with the OE demand kicking in, it leads to replacement demand further being boosted. But the bigger impact on the replacement side is from the economy. So it would be fairly immediate that we would see pickup in the replacement segment on the commercial vehicle side and not with a lag.

Nishit Jalan: So is it true that the replacement demand is kind of low single digit right now because you mentioned that overall MHCV volumes are up in high single-digit and we have seen around 20% increase in overall MHCV production in Q2. So is it something like that the replacement demand in MHCV is almost close to zero?

Gaurav Kumar: We unfortunately do not have an industry growth figure. Our estimate is that replacement demand is growing in low single-digits currently.

Nishit Jalan: My next question is on interest expense. You mentioned that the standalone net debt increased QoQ, but we have still seen some reduction in interest expense. Is it something that the debt increase was towards the end of the quarter and we will see interest expense increasing in the subsequent quarters?

Gaurav Kumar: The debt increase was mostly towards end of the quarter resulting from inventory. Yet the increase in interest cost would be marginal because at what point that inventory gets liquidated would also play into the interest factor.

Nishit Jalan: The net debt like you mentioned is around Rs 12 Bn, but the kind of annualized interest we are paying is around Rs 1.8 Bn. So the effective interest cost, comes as something like 15% or am I missing something?

Gaurav Kumar: The effective interest cost would not be 15%. What you see as a debt level is at a particular point of time.

Nishit Jalan: Average debt during the quarter was even higher?

Gaurav Kumar: Would be higher. Our interest cost in India is around 10% and Europe is much lower.

Nikhil Deshpande

Sharekhan: Just wanted to know, about our demand's sensitivity to price? If the industry goes for a marginal price cut, will we be able to spur demand in the system?

Gaurav Kumar: Just a price cut would not lead to greater demand because a tyre is a product which is bought when it is needed. It is not a discretionary consumption, to that extent and also the price differential between a new tyre versus a retreaded tyre would remain substantial enough that a small price cut would not swing the needle on demand on that factor. Any player, cutting prices significantly compared to others may garner additional volumes, but not at an industry level.

Nikhil Deshpande: Once we start seeing an increase in the raw material price, how would the industry pass on the price increase?

Gaurav Kumar: That is a difficult one to answer as to how the industry would react if raw material prices were to move up because that will depend on the overall demand supply scenario and behavior of the individual players.

Jasdeep Walia: What would be the utilization levels as far as your truck-bus bias tyre capacities are concerned as of now and what has been the trend over the last year?

Gaurav Kumar: Truck bias utilizations have more or less remained at similar levels. They are in the mid-70s. Lately, we have seen an increase or an uptick in capacity utilization leading to an overall increase to be significant on the truck radial side.

Jasdeep Walia: Since a lot of capacity is lying unutilized and possibly under utilization will only grow in future, when will the next phase of your capex come with regard to conversion of this bias capacity into some other product segment like OHTs?

Gaurav Kumar: We will first go through what we have already announced which is the Rs. 5 Bn capex on the conversion of about 100 metric tonnes. It will be done gradually because we also have to build up the market. While the capacity is under utilized to some extent, but just converting it very quickly into another product segment where we have not built up the market will not help us because then we will have an underutilized capacity in another product segment.

Jasdeep Walia: What is your total bias truck-bus capacity in terms of MT per day in India?

Gaurav Kumar: The total capacity on the truck radial side is about 380 metric tonnes per day and bias would be about 500 metric tonnes per day.

Jasdeep Walia: What are the utilization levels on the PCR side?

Gaurav Kumar: It is in the 70s.

Jasdeep Walia: And what will be the cost of debt for your Europe expansion?

Gaurav Kumar: We are still in the phase of finalizing the funding for that. We are in dialogue with the banks right now should have a confirmation on that in about a quarter's time.

Aditya Makharia: What is the likely capex spend for FY16 and FY17? Is it likely to be substantially higher than this year?

Gaurav Kumar: On the Europe Greenfield side in FY16 and FY17, we should have spent around 300 million Euros. In these 2 years, we should also be spending the entire Rs. 15 Bn for the Chennai expansion and a significant part of the Rs. 5 Bn on the conversion.

Aditya Makharia: And this will be largely spent over these two years?

Gaurav Kumar: That is correct and then looking at how the Indian demand starts to grow which is the expectation, then we will assess if anything more is needed, but right now these are the planned and approved capex.

Aditya Makharia: So logically debt levels would move up?

Gaurav Kumar: Yes, over the next 2 years, the debt levels will move up.

Mahantesh Sabarad
SBI Cap Securities: For your exports of tyres to the European market from India, do you receive any favorable tariff from Europe?

Gaurav Kumar: No, we do not receive any favorable tariffs.

Mahantesh Sabarad: So they do not come under the free trade arrangement agreement between India and Europe?

Gaurav Kumar: No, not the tyres.

Raghu Nandan
Quant Capital: At the industry level, would you be able to share something on the capacity utilization at the end of FY14?

Gaurav Kumar: No, we would not have data on industry utilization levels.

Basudev Banerjee: Since you said that the landed cost of rubber this quarter was Rs. 150 per kg and the Kerala rubber average price for the quarter was close to Rs 133 per kg. So, typically as the price difference between spot and landed is around Rs. 15 per kg, the equation holds pretty well. But presently, the spot prices are around Rs 120 per kg and despite that you are saying that in coming quarters, there is a risk of cost moving up (as per your procurement team). So how that equation would be?

Gaurav Kumar: So their expectation probably would be that it would move up. The equation of adding about that Rs. 15 per kg odd or a little above 10% is what would hold. If the rubber prices remain around the Rs 120 per kg mark, then at least on natural rubber side, the average price would come down.

Basudev Banerjee: So, if Rs 120 per kg holds, your Rs 150 per kg can come down in coming quarter?

Gaurav Kumar: That is correct.

Basudev Banerjee: If I see synthetic rubber, last quarter it was also Rs 140 per kg, this quarter also it Rs 140 per kg. In fact three quarters back, it was Rs 120 per kg. So now as you said two quarters lag of crude correction, can one expect a possibility of synthetic rubber coming back towards Rs 113-120 levels as crude is down almost 20% in last one quarter?

Gaurav Kumar: As I mentioned, difficult to say because it does not follow that scenario. Very recently, crude has in fact increased and if I look back at the synthetic rubber prices, they were at levels of about Rs 160 per kg one year back. So in a year, they have come down from Rs 160 per kg to Rs 140 per kg and they have been stable around this Rs 140 mark for nearly 3 quarters.

Basudev Banerjee: Basically where I am coming from is some of your peers have been saying that crude basket constitute close to 25-30 odd percent of raw material basket and directionally it is following crude, though not in terms of magnitude. So that the aspect I was confirming?

Gaurav Kumar: It is a fair point and yes, intuitively it follows, but as I had said some of these have their own demand supply cycle. Take carbon black for example, it has been around this level for four quarters. So with all the reduction in crude prices, even though carbon black is a derivative, there has been no impact on carbon black prices.

Basudev Banerjee: We have seen from the quarterly reports from Michelin that price cuts in Europe are still continuing. Do you see any incremental risk of price cuts for Vredestein in coming quarters at this level of benign raw material prices?

Gaurav Kumar: For Vredestein, we typically have to take pricing actions in line with what the industry leaders like Michelin or Continental take and that has been the case even in last quarter. Whether the price cuts would continue even if raw material decline is not happening any further, is a question mark.

Chintan Sheth
SKS Capital: Just wanted some data points related to gross debt. The Indian net debt figure you gave is Rs. 12 Bn. What is net debt figure at the group level?

Gaurav Kumar: Indian net debt is Rs. 12 Bn and the consolidated net debt is Rs. 9.3 Bn.

Chintan Sheth: On capex front, you mentioned that in FY16 and FY17 you will be spending 300 Mn Euros and for Chennai plant, it will be Rs 1.5 Bn over the next 2 years. What will be the capex for FY15?

Gaurav Kumar: For FY15 like I mentioned earlier, there may be some very little advances going because the equipment orders, etc., would start getting placed only from next quarter. So as of now, I do not have a fix on how much of that will go, but it will be a small amount.

Chintan Sheth: And on the maintenance front, will you be spending Rs 2 Bn every year?

Gaurav Kumar: That is our usual level. It may only change slightly.

Chintan Sheth: The current utilization you mentioned is 80%, right?

Gaurav Kumar: Yes, 80% plus for Indian operations.

Amin Pirani
Deutsche Bank: On the European side, just wanted to get a sense, if the ultra-high performance tyres are doing better than the overall market. So are you seeing that in your mix and if that is the case, could your growth be higher than the market in terms of pricing as well as volume growth?

Gaurav Kumar: I have to look specifically in that data point, whether the ultra-high performance segment is growing faster than the other product categories for this particular year. That has been the case in some of the past years, but I do not know specifically for this year. For last year also, I would say that we have outperformed the industry more in the normal segments than in the ultra-high performance segment.

Amin Pirani: And have you seen any increase in dispatches on the winter tyres in this quarter or you feel that would come mostly in the next quarter?

Gaurav Kumar: The winter tyre kicker that we get is biggest in the third quarter. November and December are the two key months. So still too early for me to say where we are headed.

Amin Pirani: Lastly, we know that pricing in Europe has been weak, but in your sense has the pricing been weak only to the extent of the raw material decline or has the pricing decline been more than the benefits on the raw material side?

Gaurav Kumar: I would say it has been only on account of raw materials given the fact that our margins are higher than last year. So that clearly indicates that while discounting the benefits of raw materials, the margins have still moved up. So it is not beyond the raw material benefit.

Rumil Jain

Quantum Advisors: Can you give me a revenue breakup between your replacement and OEM markets?

Gaurav Kumar: Overall, replacement contribution was 79% and OEs contributed 21%.

Rumil Jain: And just one more revenue breakup or volume breakup whichever is available between the segments in CV, PV, and two-wheeler or off-road, etc.?

Gaurav Kumar: Truck tyres contributed 46% and car tyres contributed 36% to the revenues. The balance was from light truck, farm, OHT, and all the other categories.

Aniket Mhatre: On behalf of Standard Chartered Securities, I would like to thank the management team of Apollo Tyres Ltd. Thank you to all the participants for being there on the call.

Gaurav Kumar: Thanks everyone.