



“Jagran Prakashan Limited Q4 FY2014 Earning
Conference Call”

May 29, 2014



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Moderator: Ladies and gentlemen good day and welcome to the Jagran Prakashan Limited Q4 FY14 Earning Conference Call hosted by ICICI Securities Limited. As a reminder all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" and then "0" on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Vikash Mantri from ICICI Securities. Thank you and over to you Mr. Mantri.

Vikash Mantri: Good morning everybody. We at ICICI Securities are pleased to host the Q4 FY14 conference call for Jagran Prakashan. We have with us as usual the senior management of Jagran Prakashan represented by Mr. Sanjay Gupta, CEO, Mr. Shailesh Gupta, Director (Marketing) and Mr. R.K. Aggarwal, CFO of the company. Over to you Sir.

R.K. Aggarwal: Good morning friends. Welcome to the year-end conference call of Dainik Jagran and thank you for sparing your valuable time.

We are very much pleased to present a very satisfying set of annual and quarterly numbers. There was growth in revenues and much higher growth in operating profit. This was one of the rarest of the rarest year in which growth in circulation revenue was higher than growth in advertisement revenue. Advertisement revenue grew in Q4 at around 17% after a long, long period of time. As far as profit is concerned, if we make adjustment in current as well as previous year for one-off and exceptional items you will see a growth of 60% in PBT on QOQ basis and 35% on YOY basis. Also in the previous year, if you remember there was no tax due to accumulated losses of taken over business off Nai Dunia, but in the current year the tax expense is nearly Rs.79 Crores at an effective rate of 26%. Thus, PAT and EPS need to be appropriately adjusted for the purpose of comparison and appreciating the growth from the previous year.

Another point, which we would like to bring to your notice, is the fact that the company has reached a level where the operating revenues have pretty high operating leverage. There is an increase of Rs.181 Crores in topline that is 11.89% .Operating profit has grown by Rs.87 Crores which translates into 30% growth from the previous year in absolute term and nearly 50% incremental operating profit on the increase in turnover. One may also like to take note of the fact that circulation revenue is increased due to improved cover prices which have much higher operating leverage than the commonly believed advertisement revenue.



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As far as the performance of Dainik Jagran and various other publication and non-publication business is concerned almost all the businesses performed incredibly. Nai Dunia grew its circulation by 27%, but still managed to maintain the losses of the previous year due to a steep growth in advertisement revenue of 30% notwithstanding more than 10% increase in newsprint cost due to prices which was unexpected and beyond control. Mid-Day halved its losses whereas I-Next reduced its losses by 67%. Punjabi Jagran reduced its losses by nearly 55%. Even Outdoor and Events did report some operating profits as against operating loss of 9% in the previous year although the growth in revenue suffered due to focus on profitability.

Coming to digital, the company continued to focus on digital and strengthen the ranking of digital properties and market position further. As a result, the digital advertising witnessed a growth of 150%.

Now coming to Q4, it was on expected lines as anticipated. Advertisement market remained subdued with no benefit from election, but at the same time there was loss of government revenue in the month of March. If there was no loss of government revenue our growth in advertisement revenue would have been nearly 20% as against 17% what we clocked. However Dainik Jagran, Nai Dunia and Mid-Day all could still register steep growth beyond expectations.

On cost front, we continued to keep check, but the increased newsprint cost hit the margins by nearly 3%. However, we are happy to report that we could absorb the increased cost of newsprint and improve the margins manifold due to improved efficiency, control over cost, increase in revenues of existing business and incredible performance of businesses under investment phase.

As expected the company could reduce its net debt from Rs.239 Crores to Rs.132 Crores on consolidated basis in spite of payout to shareholders of nearly Rs.150 Crores and continued investment in Nai Dunia and Mid-Day. It became possible due to cash generation of more than Rs.325 Crores from operation which was Rs.200 Crores in the previous year an increase of nearly 65%.

You would also take note of the fact that the current year's accounts are without any adverse comment from the auditors, getting the qualification removed impacted current year profit and loss account by nearly Rs.10 Crores which have been shown as exceptional prior period adjustments.



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Coming to 2014-2015, we are pretty optimistic and expect much improved performance as well as higher rewards to all the stakeholders. Having summarized the operations as above, we shall be glad to take your question and request you to please proceed. Thank you very much.

Moderator: Thank you very much sir. Ladies and Gentleman we will now begin the question and answer session. The first question is from the line of Shobhit Khare from Motilal Oswal Securities. Please go ahead.

Shobhit Khare: Congratulations on a good set of numbers. I have two questions, one is on the consolidated number for circulation revenue, there is a 5% decline quarter over quarter versus Q3 FY2014 whereas in standalone I think that number is flat, so if you could just give some color on this and second for the two exceptional items which are there in the quarter for sale of property and title amortization, is there a tax impact also of that?

R.K. Aggarwal: As far as title amortization is concerned, there is no tax impact. It is reducing our PBT and PAT both by the amount written off. Profit on sale of assets definitely had some capital gain tax impact.

Shobhit Khare: Can you share a percentage?

R.K. Aggarwal: Tax impact?

Shobhit Khare: Yes.

R.K. Aggarwal: Nearly 6% to 7%, because we had some accumulated long-term capital losses.

Shobhit Khare: Sir on the circulation revenue?

R.K. Aggarwal: On circulation revenue, in Q4 you had lesser number of days as compared to Q3 and this is why you had 3% to 4% circulation revenue lower.

Moderator: Thank you. The next question is from the line of Abneesh Roy from Edelweiss. Please go ahead.

Abneesh Roy: Congrats on good set of numbers. My first question is on circulation strategy. The readership survey clearly one player is still using it to its advantage, so in that context how it is impacting us and do we plan to ramp up circulation sharply in the coming years especially because now economy is accelerating faster.



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- R.K. Aggarwal:** I will request CEO to respond to that question The report has already been withdrawn by MRUC and therefore it has got no relevance whatsoever, but CEO will clarify the position, because he is on MRUC board as well.
- Sanjay Gupta:** Let me clarify that report is standing withdrawn as of now, one publication did go to the high court and got some kind of permission to use the data, but they are not allowed to kind of use our data and I do not think that we will be ramping up any circulation required to compete with them on any kind of numbers, because we firmly believe that numbers that they are quoting or slightly out of line and our strategy is very clear that we will increase circulations in market where there is a clear cut advertising response. So, we will continue on that strategy and ramping up circulation to gain readership numbers is a very defeating strategy and we will not be going for that.
- R.K. Aggarwal:** To add further as we have always been maintaining this is what CEO is confirming that we believe that our circulation is not yet fully monetized and therefore there is no need to push up this circulation any further unless and until there is a commensurate revenue potential available in the market.
- Abneesh Roy:** My next question in terms of the state level advertising growth for the different states, how the growth rates have been and now if you see Bihar has a relatively unstable government with support from a very fickle minded party I will say, so to that extent could the ad growth their come down already in the last one or two years it has come down and in UP Sir, if you see can the government ads step up, I am not taking the last two months which was abnormal because of election related rules, but if you see the party in power there, they have not done well at all in the election, so could they ramp up the government ads much higher to overcome the voter apathy do you sense that could happen?
- Sanjay Gupta:** Firstly, the government advertising does make a difference, but it is not such a significant difference that will make remarkable difference in our PBT. Having said that I will rather bank on overall economic growth which is due to the stable central government
- R.K. Aggarwal:** To add further if we have registered a growth of 17% UP and Uttarakhand happened to be our top market. We would not have grown that much if these markets would not have supported, number one. Number two, Bihar, Jharkhand was the worst performer in the year 2013-2014, but given their low base and given the fact that those states are still nowhere near even the average states in the country definitely this year is expected to be better than the previous year irrespective of howsoever that particular economy behaves because of government or otherwise.



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- Abneesh Roy:** My last question is on the competitive scenario, how it is developing in Bihar, because of the new entry, so have we lost share in terms of revenue in the non-government ads there and in Jharkhand could you also update on what is the current scenario in terms of market share and growth rate?
- Shailesh Gupta:** We do not see any kind of competition, because you have to realize that Bihar and Jharkhand is an obvious extension of UP, Uttaranchal and I will break into two parts national and local. National advertising, we have only been gaining because of obvious UP Uttaranchal extension. As far as local is concerned, we have not had any problems so far and we don't expect it also, because the kind of numbers which Bhaskar was thinking they will get, they have not been able to get it and the market perception also plays a very important role as far as local market is concerned and local market is extremely clear that Jagran is very, very fast moving newspaper in Bihar and local perception is also on the form that what kind of response the local advertiser gets and we have been able to give the response which local advertiser has been looking for ;plus just to make sure that we do not lose on market share we have actually strengthened our team in a big way in Bihar and Jharkhand. So far, we have no issues whatsoever.
- Moderator:** Thank you. The next question is from the line of Shrinivas Seshadri from CIMB. Please go ahead.
- Shrinivas Seshadri:** Congratulations to the management on a great set of results. I have two, three questions. The first one is on the advertising growth there has obviously as you highlighted been a very good step up in the growth rates on the sequential basis and as you mentioned if it were not for the lower government spending you could have done around 20%. So one is, wanted to understand what were the incremental growth drivers versus the last quarter because of which you had such a good growth and based on that do you see that high teens are a 20% growth being sustainable going into the next financial year.
- R.K. Aggarwal:** Driver clearly was as compared to Q3 Dainik Jagran itself and then Nai Dunia supplemented it, so this is what is about Q4. Going forward given such a high base and given the fact that overall economy still does not have strong fundamentals we cannot expect the same rate of growth what we witnessed in Q4, but yes in 2014- 2015 it looks that on an overall basis 15% should not be a problem .
- Shrinivas Seshadri:** Sir, if you could just delve on may be at category levels like which are the categories which suddenly saw a spurt in spending.



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- R.K. Aggarwal:** as you must be knowing, FMCG has become the lead advertiser in the print industry in the year 2013-2014 and this is what held good for us as well and this was followed by automobile, real estate Education definitely does not see that kind of growth which we had been witnessing say three/ four years back, but still continues to be top category for the year.
- Shrinivas Seshadri:** Sure Sir, that is very helpful. The second question is obviously on the cash flows also, the company has done very well and if you see the external debt excluding the promoter group funding it is almost kind of net debt neutral situation. So, I was just wondering at current point of time, what kind of investments are you looking at for FY2015 to kind of build incremental growth drivers for the company?
- R.K. Aggarwal:** Not really any substantial investment except the maintenance capex in the range of around Rs.60 Crores.
- Shrinivas Seshadri:** Would you not use the opportunity of the balance sheet strength now coming back to kind of try to look at some new markets or?
- R.K. Aggarwal:** We do not need it because as mentioned and clarified, we already have things in place and we unnecessarily need not invest, yes there are few businesses in which investment is continuing and that is Nai Dunia, that is digital .Punjabi Jagran for example is in the third year of its operation, so there will be some investment in Punjabi Jagran also, but not much. We already have a few businesses which are under investment phase; we need not add anything new.
- Shrinivas Seshadri:** From an inorganic perspective also is there any opportunity you think like Nai Dunia?
- R.K. Aggarwal:** Not really. We have enough on our platter.
- Shrinivas Seshadri:** Just couple of questions related to the segmental numbers which you reported. If I just kind of subtract the non Dainik Jagran publications and subtract Mid-Day from that then the year-on-year growth appears to be just about 9%.
- R.K. Aggarwal:** Of what?
- Shrinivas Seshadri:** 9% of revenues.
- R.K. Aggarwal:** I am sorry in fact I do not know where did you get the number from?
- Shrinivas Seshadri:** You have reported other publication revenue of Rs.76 Crores that is non Dainik Jagran.



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- R.K. Aggarwal:** We were talking about 9% growth in topline of Dainik Jagran?
- Shrinivas Seshadri:** You have given this number of Rs.76 Crores verses Rs.68 Crores last year of the other publication that is non Dainik Jagran publications.
- R.K. Aggarwal:** You are talking about Q-on-Q basis?
- Shrinivas Seshadri:** No YOY.
- R.K. Aggarwal:** YOY basis, we have not reported.
- Shrinivas Seshadri:** Your press release has those numbers on the segment.
- Shrinivas Seshadri:** There the revenue has moved up from Rs.68 Crores to about Rs.76 Crores and then obviously of that includes Mid-Day also, which has increased from Rs.25 Crores to about Rs.29 Crores. If I subtract that then from those numbers that leaves the other print publication I suppose I-Next, Punjabi Jagran and the other smaller one.
- R.K. Aggarwal:** I need to work it out. I think there is some mistake. You can come back to me offline because what is before my eyes is Dainik Jagran total topline grew from Rs.273 Crores to Rs.312 Crores
- Shrinivas Seshadri:** Because other publication growth of 12% seems too less because you have mentioned that Nai Dunia has grown by around 30%.
- R.K. Aggarwal:** That is advertisement revenue and in fact 30% growth in topline on overall basis also there for Nai Dunia. Mid-Day advertisement revenue for the year was almost flat, although they recorded 23%/24% growth in Q4, but for the year it was flat. So Mid-Day revenue was more or less flat as compared to the previous year, which is what might be pulling down the overall growth in respect of other publications.
- Shrinivas Seshadri:** May be I will take this question offline with you.
- R.K. Aggarwal:** Take example of Punjabi Jagran, their topline grew by nearly 60%, they went up from Rs.10 Crores odd to Rs.16 Crores, I-Next also grew by more than 10%, and Cityplus was flat.
- Shrinivas Seshadri:** These are Q4 numbers?
- R.K. Aggarwal:** Yes.

- Shrinivas Seshadri:** Just a final related question.
- R.K. Aggarwal:** I was talking about whole year.
- Shrinivas Seshadri:** Just a final related question is that the other publications again the same thing which I pointed out there the EBITDA losses come in at around Rs.13 Crores, which is probably higher than the trend line, Q3 of course was festive, so I would not count that, but even in Q2 the loss was around Rs.7 Crores. So, whether there was some kind of additional investments made in?
- R.K. Aggarwal:** Not really. The investment definitely was there, because the losses are higher, but in Q4 as I mentioned in the beginning itself, advertisement market was subdued not only because government spend was less, but even otherwise on an overall basis Q4 was not as good as remaining nine months. It has got nothing to do with the economy or it has got nothing to do with anything else. Whenever elections get announced that is what happens.
- Shrinivas Seshadri:** Thank you so much. I will come back if I have more questions.
- Moderator:** Thank you. The next question is from the line of Rohit Dokania from IDFC Securities Limited. Please go ahead.
- Rohit Dokania:** Thanks for the opportunity, just few questions from my side. One is if you could throw some light on the kind of margin expansion that we could be expecting as far as this fiscal is concerned.
- R.K. Aggarwal:** At least 200-basis point because if you have seen as I mentioned in my opening remarks, there was a growth of less than 12% in the topline on consolidated basis that is just Rs.180 Crores, but we were able to add nearly Rs.90 Crores to the operating level profit which is nearly 50% of the incremental revenue. So, if we increase which we are pretty sure of topline by even 12% improvement in operating margin by 200-basis point is given.
- Rohit Dokania:** This is predicated on the fact that how would newsprint behave in FY2015?
- R.K. Aggarwal:** Newsprint prices are expected to remain stable, but whatever increases have already happened till March 31, 2014, they would impact the newsprint cost adversely and our estimate is the increase prices would impact the newsprint cost to the extent of around 10% next year as well.
- Rohit Dokania:** So you believe newsprint price on an average for the full year fiscal 2015 would be 10% higher than fiscal 2014?



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- R.K. Aggarwal:** 9% to 10% and if the dollar remains at around 58, 60 which is the general expectation this impact would go down to 6% to 7%.
- Rohit Dokania:** That is very helpful. Second question would be I see slight increase in the provision for bad debts sequentially from I think about Rs.3.5 odd Crores to about Rs.13 odd Crores, what is it relating to on a consolidated level?
- R.K. Aggarwal:** Provision for doubtful debts and diminution and value of investment, you are right, are there in Q4 t. There are two exceptional problems which have been made in Q4. Number one is a provision Rs. 5 Crores where the litigations have been going on for some years. There was certain arrangement with those parties ; those arrangements got discontinued so we on conservative basis provided for that Rs.5 Crores and Mid-Day had to provide for nearly Rs.6.5 Crores for diminution in value of investments which were made as a result of private treaty arrangement by the earlier managing director and those arrangements now have been completely stopped at group level, so whatever hit had to come has already come.
- Rohit Dokania:** Okay. We should not expect any private treaty hit as far as Mid-Day is concerned. Could you also throw some light on the kind of losses that Nai Dunia has made in the whole fiscal FY2014, is it possible to share that number at the EBITDA level?
- R.K. Aggarwal:** At EBITDA level it is more or less same as it was in the previous year, although we expected that it could have reduced by a Crore or so, but the kind of increase in circulation what they have taken i.e 27% we are more than happy that they could sustain or they could maintain the losses ;they did not increase it further in spite of increase newsprint cost by nearly 10%.
- Rohit Dokania:** Do you believe FY2015 could be the turnaround year or?
- R.K. Aggarwal:** As we mentioned in Q42015 we expect to be cash break even and we maintain that, the circulation growth is planned for Nai Dunia even in the current year.
- Moderator:** Thank you. We have next question from the line of Kartik Mehta from Sushil Finance. Please go ahead.
- Kartik Mehta:** Good morning. Thanks for the opportunity. First of all let me give you a feedback that the presentation this time what company has put on website is far better than generally a press release what we do and my questions are pertaining to the operating leverage you mentioned we are going to get lot of benefit out of the operating leverage and with even



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12% revenue growth we are looking at 200-basis point margin expansion, so that is roughly you are talking about 24%, 25% sort of EBITDA margin?

R.K. Aggarwal: That is again on conservative basis, if we register growth of 12% having the same kind of growth mix what we had in 2013-2014 it could be still better.

Kartik Mehta: That is pretty encouraging. Sir, can you help me out with the ad revenue mix of volume and yield for full year as well as fourth quarter?

R.K. Aggarwal: Something very interesting, I was waiting for that question to come up. In fact, the entire growth what Jagran registered in whole of the year has come from improvement in yield. There was no contribution from space increase and this is something which was deliberate, We sacrificed spaces of lower yields deliberately because in the previous year which was a nightmarish year for us we registered 8% growth in space to take it to the extent that we can afford to lose some to improve yield that has not increased in past 2 years because any which way , last year was bad year as it is., So approach was let us go for adding the client, let us go for increasing the space so that next year or whenever there is some sense of positivity, we can take increase in the rates and for that if we have to sacrifice some space we can do that. We can afford to do that and that is what has happened. In fact the entire growth has come from improvement in the yield.

Kartik Mehta: It is quite surprising that in a dull economic environment you could actually juice out better yield out of the customer.

R.K. Aggarwal: You are absolutely right.

Kartik Mehta: Going at what would be the strategy in the same?

R.K. Aggarwal: This is too early to say, but definitely we have taken already increase in our rate card and we will see how much we will be able to pass on, but definitely we do not expect the same kind of rate increase what has taken place in 2013-2014.

Kartik Mehta: Even for the Q4 it was 100% yield driven?

R.K. Aggarwal: For entire year I am talking.

Kartik Mehta: For Q4 particularly?

R.K. Aggarwal: Again improvement in yield.

- Kartik Mehta:** Okay and if you can help me out with the mix of national advertisement versus local advertisers?
- R.K. Aggarwal:** That remains at 60:40.
- Kartik Mehta:** Still at the same. Okay and on the other publications front, with this margin expansion what we are talking is majorly the reduction in the loss and other publications?
- R.K. Aggarwal:** That will also happen.
- Kartik Mehta:** So, it is a combination of both Jagran level as well as on the reduction in the loss.
- R.K. Aggarwal:** Yes.
- Moderator:** Thank you. The next question is from the line of Vimal Gohil from Sharekhan. Please go ahead.
- Vimal Gohil:** Most of my questions have been answered. I just wanted to confirm the revenue is coming in from Mid-Day. I know you have indicated it earlier. Your revenue from Mid-Day this time around I am talking about ad revenue, is it around Rs.27 Crores ad revenue?
- R.K. Aggarwal:** For Q4 yes.
- Vimal Gohil:** Your circulation revenue for Mid-Day would be around Rs.2.7 Crores somewhere around that range.
- R.K. Aggarwal:** **Inqulab north** : Rs.9 Crores.
- Vimal Gohil:** Second question will be can I get your full year number of circulated copies?
- R.K. Aggarwal:** Mid-Day?
- Vimal Gohil:** No, total consolidated.
- R.K. Aggarwal:** Consolidated would be 5 million.
- Vimal Gohil:** Last year it was.
- R.K. Aggarwal:** Sorry.



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- Vimal Gohil:** What was the number same number last year in FY2013?
- R.K. Aggarwal:** This year we had steep growth in Nai Dunia, but on lower base, so last year it should be in the range about Rs.4.6 million.
- Moderator:** Thank you. The next question is from the line of Rohit Gala from Sunidhi Securities. Please go ahead.
- Rohit Gala:** Thanks for the opportunity. Sir, I just wanted to check onto the realization game, what is strength currently?
- R.K. Aggarwal:** You are talking about Dainik Jagran?
- Rohit Gala:** Yes.
- R.K. Aggarwal:** That has improved by about 7% to 8% from the previous year.
- Rohit Gala:** Overall for the company?
- R.K. Aggarwal:** Overall for the company should be slightly less, because in case of Nai Dunia the improvement in per copy realization was about 1.5% to 2%.
- Rohit Gala:** Secondly onto the effective tax rate, how we should be building up for FY2015-2016?
- R.K. Aggarwal:** 29%, 30%.
- Moderator:** Thank you. We have next question from the line of Aruna Bharti from Pari Washington. Please go ahead.
- Aruna Bharti:** How are you? I just have a couple of book keeping questions. What is the total gross debt number right now currently?
- R.K. Aggarwal:** Just give me a second. Gross debt is Rs. 360 Crores excluding the loan which we have drawn from holding company.
- Aruna Bharti:** Which means 360 plus the Rs.95 Crores?
- R.K. Aggarwal:** That is right.



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- Aruna Bharti:** That is helpful. At the consolidated level what is the current average cover price as well as net price number?
- R.K. Aggarwal:** All the brands put together I never try to work that out, because there are some tabloids and it may be slightly misleading picture. For each brand, there is an improvement in the cover prices Nai Dunia was under expansion, so there it is 1.5% to 2%. In case, of Mid-Day also there is a good improvement in the cover prices especially in Q3 and Q4 and going forward it will improve further. I-Next also there is very little improvement in the cover price, but from April the increases have been taken and there will be impact. In case of Punjabi Jagran, there was improvement by at least 12 to 13% in net realization.
- Moderator:** Thank you. The next question is from the line of Shrinivas Seshadri from CIMB. Please go ahead.
- Shrinivas Seshadri:** Thanks again for the opportunity. Just one question, on the outdoor and event business can you share some outlook in terms of what you have planned for next year both in terms of growth as well as margins?
- R.K. Aggarwal:** 2014-2015 we will be focusing only on profitability even though, we may have to sacrifice like last year some turnover which we would not mind, but we are clearly focusing on improving the profits and you have seen the results if you compare on year-on-year basis in Q4. last year they had both put together an operating loss of about 10%, this year they had an operating profit of 2% in spite of the fact that this year Q4 suffered on account of election announcement.
- Shrinivas Seshadri:** Would it be possible to see some kind of decent operating margin on this business or is it too early for that?
- R.K. Aggarwal:** No definitely, 2%, 3% is not something which we are expecting for the next year, but yes it should improve 8% to 10%.
- Moderator:** Thank you. The next question is from the line of Rajiv Anand from Narnolia Securities Limited. Please go ahead.
- Rajiv Anand:** Thanks for the opportunity. Sir, Majithia Committee recommendation is the major hiccup for print industry and I want to ask you how it will impact your profitability.
- R.K. Aggarwal:** It is not impacting us at all.
- Rajiv Anand:** How Sir?

- R.K. Aggarwal:** Our salary and wage structure in fact are fully compliant.
- Moderator:** Thank you sir. We have next question from the line of Rohit Gala from Sunidhi Securities. Please go ahead.
- Rohit Gala:** Sir just wanted to check out onto the ECB repayment what we did on April this quarter, can you just?
- R.K. Aggarwal:** That was Rs.22 Crores.
- Rohit Gala:** So effectively current gross debt would be Rs.455 minus with Rs.22 Crores?
- R.K. Aggarwal:** No, our working capital utilization has gone down to almost nil. When I said that Rs.460 Crores or whatever that time my working capital utilization was in the range of about Rs.150 Crores/ Rs.160 Crores, that has gone down to almost nil.
- Rohit Gala:** By 2015-2016 the working capital is also less.
- R.K. Aggarwal:** As of now my net debt virtually is zero if I exclude the loan drawn from holding company and if I include that as well then my net debt position is Rs.25 Crores, Rs.30 Crores.
- Rohit Gala:** Thanks and what would be effective currently...
- R.K. Aggarwal:** Sorry, sorry, if I include that Rs.95 Crores as on date my net debt position is Rs.50 Crores, not 25-30.
- Rohit Gala:** What would be the effective rate of interest?
- R.K. Aggarwal:** Rate of interest in our case is something which is beyond expectation that is less than 10%.
- Moderator:** Thank you. As there are no further questions, I would now like to hand over the call to management for their closing remarks, over to you Sir.
- R.K. Aggarwal:** Thank you very much all of you and thanks once again for sparing your valuable time.
- Moderator:** Thank you all. On behalf of ICICI Securities Limited that concludes this conference. Thank you for joining us and you may now disconnect your line.