“HT Media Limited Q1 FY2018 Results Conference Call”

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Moderator: Ladies and gentlemen, good day and welcome to the HT Media Q1 FY2018 Conference Call, hosted by Centrum Broking 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 "*" then "0" on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Ankit Kedia from Centrum Broking. Thank you and over to you Mr. Kedia!

Ankit Kedia: Thank you Karuna. We at Centrum Broking are very pleased to host the Q1 FY2018 results conference call for HT Media. Today, we have with us from the Senior Management, Mr. Piyush Gupta, Group Chief Financial Officer. I would now like to invite Piyush for his opening remarks followed by which we can have an interactive Q&A. Over to you Piyush!

Piyush Gupta: Thank you so much. Good morning everyone. I also have with me, Ms. Anna Abraham and Mr. Amit Madaan here. I welcome everyone to the call and thanks for taking out the time for the Q1 FY2018 earnings call. I would like to share a few highlights for the quarter. After a significant decline in ad revenues in the last quarter FY2017, which is post demonetisation this financial year has started well. April saw an upswing in ad volumes; however, uncertainty around GST and macroeconomic concerns started affecting spends in May and June.

As a result English Print business saw a decline in ad revenues while Hindi was a flat topline growth in the first quarter. Although Print business continued to be under pressure, our new businesses have done exceedingly well. Radio business continues to record stellar performance, incremental revenues of Rs.10 Crores have been garnered this quarter vis-à-vis the same period last year on the back of new stations as well as growth in the existing stations.

Digital Businesses continued to grow while stemming losses. Overall our revenues witnessed 1.5% degrowth in the quarter. Despite the pressure on revenues, consolidated EBITDA was up by 18.7% at INR 133 Crores for the quarter. There is also a margin expansion with EBITDA margins at 20.4% versus 17% in the same period last year. While commodity prices continued to be stable the benefit of the cost restructuring exercise that we undertook last year is starting to show up in the financials.

We continue to remain focused on keeping a tight control over our cost initiatives that we have undertaken over the last 12 months. Although various government policies and the cautious mood in the economy has had its impact on the business in the recent past, we believe that fundamental still remain intact and we would be soon seeing some healthy growth return back to the sector.

With improvement in overall sentiments the core business should be back to growth trajectory towards the second half of this year. With radio and digital businesses continuing to profitably scale up, the value proposition to our shareholders continue to be therefore very strong.

With that I end my starting comments and I keep the floor open for question and answers.

Moderator: Thank you very much Sir. Ladies and gentlemen will now begin with the question and answer session. The first question is from the line of Giriraj Daga from KM Visaria Family Trust. Please go ahead.

Giriraj Daga: Good morning. Just to understand on the English part, like what kind of decline do we see in the English advertising revenue and how was the volume and how was the yield?

Piyush Gupta: Basically we have seen declines close to about 5% in print revenue while hindi remaining flat. We have not been able to jack up the English yields also very substantially in this quarter. So English has taken the real brunt of the soft market sentiments.

Giriraj Daga: We also see a very sharp drop in the English circulation revenue although it is a very small number. Is it primarily to do with the discontinuation of certain operations or price cuts in the market; what do you ascribe it?

Piyush Gupta: Basically all of the above, so you know of course there have been discontinued operations that we have done about two quarters back, but apart from that given the market circumstances there are various schemes in the market and there are various cover price actions in some markets that we have taken. Also as part of the cost exercise we have culled out the copies, which were not working , so a cumulation of that has led to softness in circulation revenues on the English side

Giriraj Daga: In terms of growth outlook in the advertising how will you describe spend for the second half in English?

Piyush Gupta: As I said in my starting comments, we are very hopeful that after GST stabilizes demand, which is there in the economy, is going to come back, so we believe that we should have a reasonably decent growth coming back in the second half.

Giriraj Daga: In terms of radio what is kind of growth outlook? Because since you are expanding capacity would you like to give a number to the growth outlook in radio for 2018 and 2019 and similarly digital what kind of losses we should peg in for 2018-2019?

Piyush Gupta: If I were to take the radio question first, as you have already seen radio has been on a pretty handsome growth trajectory now for the last eight quarters, this performance is going to continue and also now that we have invested more behind expanding capacity in radio and we see that the market is embracing radio as a medium much more proximately we believe that these growth percentages will definitely persist. In our case, I personally believe that these growth percentages will only go up as our new radio stations get matured,.

On the digital, as you have already seen in the digital segment of the consolidated results, we have stemmed our losses very sharply. That journey will continue. As an organization we are focusing a lot of our effort including the restructuring in HTDSL that we have done towards our digital offering. So as we mature as a digital organization, I am not too concerned about losses but I think the topline, in which we are seeing a very healthy growth come to us, will only accelerate from here on and our digital properties and content and non-content areas have already started doing very well, which you can pick up from the segment in the consolidated results.

Giriraj Daga: Just last thing on the radio front, a follow up there. Would you be able to give the margins of the new station and the existing for the quarter?

Piyush Gupta: Well in terms of the breakup I think, in the notes, we basically already commented, so there is about 12 Crores revenue that we have garnered from the new stations, which we took in phase III and I am keeping Chennai outside, because that came prior to the phase III auction, so 12 Crores revenue but what is more heartening is that in a short span of six quarters this 12 Crores revenue is already a profitable revenue, which is basically the operating leverage and the synergies of scale that along with the existing radio stations we are already harnessing.

Giriraj Daga: Thanks a lot.

Moderator: Thank you. The next question is from the line of Harish Mehta from First Global Stock Broking. Please go ahead.

Harish Mehta: Good morning Mr. Gupta. I just need to understand can you just throw some light, how are you seeing the GST impact in coming quarters?

Piyush Gupta: I have got our CEO, Mr. Rajiv Verma. He would like to take that question.

Rajeev Verma: Good morning everyone. The impact of GST for our industry in particular is likely to be positive and accretive because earlier our industry as you know was in an exempt category but now the industry has been brought in the category in which the advertising is going to be levied 5% GST, which basically means all the inputs which were not part of our pass through because import duty on newsprint also has been levied, can now be offset due to the fact that the output is also going to be taxed. The problem; however, is that while the GST kind of settles down there is going to be a major impact from the advertising in the near-to-short-term. Right now what we are experiencing is a major slowdown in the advertising consumption due to the fact that all our customers, people who advertise in the newspaper are all not consuming advertising. There is likelihood of a slowdown in the advertising but from a medium to long-term standpoint, I think, GST will be a useful thing for the industry. I hope that answers it right?

Harish Mehta: Yes. That is all from me.

Moderator: Thank you. The next question is from the line of Vivek Anand from Ambit Capital. Please go ahead.

Vivek Anand: Thank you for the opportunity. One is on the radio side. Sir, you mentioned that phase III the newly launched stations have already become profitable. Can you give us some colour on the inventory utilization in the top markets and in the smaller markets? Also if you want to present it with old stations versus new stations that is also fine and what about yields in the old markets are they improving or has there been an increase in inventory there? Any colour on that. Second question is on the newsprint cost. So clearly there we have seen a sharp reduction. Clearly we have executed the cost control strategy quite well. Just wanted to understand in terms of newsprint consumption has there been any shift in consumption skewed towards imported newsprint or so that we continue to have the same mix across the Hindi and English paper? Thanks.

Piyush Gupta: That is a great question, Vivek Anand. So let me first take the radio bit. As you have already seen in the segments the total growth on our radio business is 30%. Now if you were to look at inventory utilization, I will just walk you back, I think, one of the reasons that we went into the round three auctions was that we were seeing a very nice growth coming into our radio segment and that is the reason we decided to invest more capital behind it. One of the other reasons was that with that growth we were also getting good margins and if you look at our historical radio stations, which were basically the four Fever branded radio stations we were already clocking an EBITDA close to about 30%. Therefore they were all profitable and increasing the profitability.

Now the inventory utilization in the old stations were already running north of 90% for the last many quarters now and that is one of the reasons that we went into the phase III to create more capacities because we have basically understood the radio business quite proximately. Now the newer stations that we have acquired be it in Chennai, which was an inorganic acquisition about two years back or in phase III we are keeping the inventory utilization as per the demand in the market because we are not going down the price degradation route very clearly and having understood that there are a certain price level that the market is comfortable with. We are pegging our inventory in line with those prices and in that perspective we are getting profitable business in the second round of stations. So radio station, which overall is growing on 30% is garnering 12 Crores in revenue in the newer stations which is already profitable is a good story that I would like to tell.

Coming to your second question on newsprint, thank you so much for complimenting all the cost efforts, which have gone down in the last 12 months. As you can see we have been doing a two-pronged strategy on the newsprint side. One is obviously on the procurement side and second is on the consumption side. On the consumption side, if you would remember two quarters ago, we had taken a call on certain loss making smaller editions which obviously impacted the newsprint cost line in a very positive manner, so that continues to come together without bringing in any commensurate softness from the revenue side. On the procurement side, we have done a lot of effort in this cost exercise whereby we have gone to various sources of newsprint procurement both domestic and international. We basically play with multiple qualities of newsprint from various international sources and we are executing various other contracts with newsprint manufacturers so that you know we can be in a relatively competitive newsprint cost regime, which we can hold in. Already you can see the 9% drop in the raw material cost we have garnered in this quarter, we personally believe that with our newsprint procurement methodology and our deployment, which is the consumption methodology we should be able to sustain these gains for the foreseeable future. I hope that answers it all.

Vivek Anand: Sir, just a couple of small follow-ups. This was quite elaborate. One was on the radio side. You mentioned that you have a very high inventory utilization in those four stations and in the other stations your inventory is pegged in line with market pricing that you would like to maintain. So what is the benchmark that you follow here in terms of defining all day inventories for your radio stations?

Piyush Gupta: There is no all day benchmark to be very honest, Vivek Anand. The way it happens is for particular time slots the pricing is benchmarked because the market views different time pricing very differently. So there is a dark period pricing, which are the night hours starting at a certain hour and going till the early wee hours of the morning and then there is a peak hour pricing which kicks in the morning and in the evening when folks are returning back from work and then there is a midday pricing. Because we have been in this business for more than a decade, we have understood how the pricing works and what is the market acceptable pricing through our Fever foray and that is how we are targeting, but the premise for Radio Nasha which is our new venture is a premium priced product on a retro thing that we are trying to fit into the big markets of Delhi and Mumbai very clearly. Of course UP is a new foray with seven stations that we did consequent to phase III but we are taking up premium priced position in consequence with what the market can absorb at this point in time basis the readings that we have got from Fever. I am happy to report that in a short period of one and a half years, we have executed the pricing strategy to a profitable axis and those businesses are already profitable.

Vivek Anand: Thanks. This was helpful. Secondly on the newsprint prices and the raw material cost. You mentioned that consumption was one of the key drivers. Does that mean that the overall newsprint consumption also has declined by a similar magnitude as the raw material cost in percentage terms?

Piyush Gupta: Not exactly. It is a mix of pricing, consumption, grammage and various other things. What you also have to keep in mind is on the consumption side, it is not just the print order, which is the key lever. There is also pagination. In a soft ad market scenario whereby the revenues are tough to come by there will be an automatic correction, which will be kicked off on to the pagination in both Hindi and English, so that is also helping on the consumption side. So that is basically given us a flip of that 9% cost saving that you can see and this is autocorrect mechanism. So the moment you would see a bump up coming into ad revenues, these lines will automatically start rising in consonance basis the algorithms which companies like us follow very proximately.

Vivek Anand: Thanks a lot and all the best.

Moderator: Thank you. The next question is from the line of Bhautik Chauhan from Span Capital. Please go ahead.

Bhautik Chauhan: Thank you for the opportunity Sir. Sir what would be our market share in terms of volumes and EBITDA margins in UP region?

Piyush Gupta: Sorry can you repeat that question once again?

Bhautik Chauhan: Sir what would be our market share in terms of volumes and EBITDA margins in UP region?

Piyush Gupta: As my colleague alluded to in the earlier call, I think, UP of course there is an incumbent leader which is Dainik Jagran very clearly which has been there in the market for multiple decades and our foray is less than a decade old, so to that extent we are a challenger. Our market share if you were to look would definitely be a subset of Jagran share but that will be segmented on market-to-market because you know getting the entire UP share I would not have the numbers, but I can ask Vivek to basically supply that information to you, but suffice to say, if you look at various data across IRS and ABC, we are already a very credible competitor to the market leader and with that position that we have held for quite some time, we are trying to move the other levers of the business which is essentially pricing, volume, market share, response, etc, through which we believe we can harness more sustainable financial gains on our P&L.

Bhautik Chauhan: My next question pertains to ads for equity. So how much would be our ad for equity?

Piyush Gupta: When you say how much would be our ad for equity what exactly do you mean the asset side, do you mean the revenue, do you mean the competitive relative to the competitor what exactly is your question?

Bhautik Chauhan: Asset side

Piyush Gupta: Asset will be north of 400 Crores right now.

Bhautik Chauhan: Total net cash position?

Piyush Gupta: The net cash position is close to about 1200 Crores.

Bhautik Chauhan: That is helpful Sir. Thank you so much.

Moderator: Thank you. The next question is from the line of Venkatesh Waran from Trustline Holdings Private Limited. Please go ahead.

Venkatesh Waran: Good morning Sir. You mentioned that the net cash position is at around 1200 Crores. Have we come up with any plans for cash utilization in the near future?

Piyush Gupta: To be very honest, I think, we are very comfortable with the current position that we have because for the business plans that we are executing like two years ago, we executed the radio investment business plan, we are currently at the management and the board level, already in consultation on various other business plans which we believe will deploy this cash in a better manner than distributing dividends if that were to be the question. This cash is currently net accretive to our shareholders because if you just look at the treasury income and do some basic maths it is yielding north of 10% on a post-tax basis to the shareholders, but you know the moment we have some other investment plan, we will deploy this cash behind other business activities.

Venkatesh Waran: Thank you Sir.

Moderator: Thank you. The next question is from the line of Rohit Dokania from IDFC Securities. Please go ahead.

Rohit Dokania: Good morning and thank you for the opportunity. Just two three questions from my side. Sir, can you talk about the cash levels at HMVL out of this 1200 Crores net?

Piyush Gupta: Of this 1200 Crores, 875 Crores is HMVL.

Rohit Dokania: The other thing was congratulation on the great effort on the cost initiatives, I think, you guys have done a great job, but I was wondering is it almost through or there are some more gains to be had from these cost initiatives in the coming quarters or this should be the new baseline kind of cost number?

Piyush Gupta: I think that is a great question. First of all thank you for complimenting our efforts. I really appreciate that. In terms of the exercise that we took on a time axis the exercise is now complete. All the gains that we have now made would be sustainable and therefore that is the new baseline. Intuitively speaking you can take it to that, but clearly one thing that I would like to point out is that we are making the cost as a new cultural paradigm within our company, I think we will be trying to work towards bettering these numbers on a quarter-by-quarter basis so we are not just settling on a new baseline. This essentially I say because looking at the revenue and market scenario at this point in time, we really need to be very tight on our costs. So that is a new paradigm we have embraced and which we plan to better every quarter.

Rohit Dokania: Sure and you did allude to digital earlier, but I was just wondering is there a sort of a broader guidance that we can give on the kind of losses that we could be expecting on digital in this fiscal?

Piyush Gupta: Currently what we have reported is about 12 Crores of digital losses. With the plan that I currently have visibility to I clearly see a possibility of a 20% to 30% reduction coming very soon on a sustained quarter-on-quarter basis. Though we do not give guidance but because digital is our big foray I would say from here on a 20% to 30% improvement, you should see sooner rather than later.

Rohit Dokania: That is great. Also can you talk about your tax rate for FY2018 what should one pencil in from a P&L perspective?

Piyush Gupta: If I were to use a blended tax rate, close to about 24% to 25% will be our effective tax rate.

Rohit Dokania: For both the companies or just for the consolidated?

Piyush Gupta: This is on a consolidated basis. HMVL would have a higher tax rate because it is marginal tax paying entity, but however, because of the nature of the treasury earnings, which HMVL would have because of its treasury OPS that would come down, so I would say on HMVL basis, the number is going to be close to about 27% to 28% whereas on HTML consolidated it is going to be close to about 22% to 23% or take a few percentage points, I really would not have very sharpened numbers on that but that will broadly the gist for the numbers.

Rohit Dokania: That is fine. That helps. One last quick question, so basically as far as I understand, as far as HTML consolidation is concerned that is line by line for HTML right?

Piyush Gupta: For HTML that is a line-by-line consolidation, you are right.

Rohit Dokania: You will have PBT neutral exercise from pre-HTDSL days to now on a like-to-like basis?

Piyush Gupta: Yes, you are correct.

Rohit Dokania: Thanks a lot and wish you all the best.

Moderator: Thank you. The next question is from the line of Yogesh Kirve from B&K Securities. Please go ahead.

Yogesh Kirve: Thanks for the opportunity. Sir, firstly on the print advertisement revenues, could you comment on how the English ad revenue started in the earlier month of the quarter before the disruption into GST started?

Piyush Gupta: You are talking about the three months of April, May and June, is that right?

Yogesh Kirve: Yes specifically in April and May, what is the English ad revenue shaping up?

Piyush Gupta: I think that is a great question and I think I alluded a little bit in my opening remarks. April even for English revenues was a great month because we were seeing growth come back to the English revenues in the month of April. May of course was slightly less but still better than June, but June is where really the whole GST volatility hit our financials. So intuitively speaking that is the same trend that we have followed in Hindi also, so April was the best month in the quarter followed by May, followed by June and now we believe that going forward as GST settles and we believe in a quarter it should get settled out, the growth we have seen in April should rebound back if not in a couple of months then probably in a quarters' time.

Yogesh Kirve: Are there any early signs of improvement over the last week or 10 days?

Piyush Gupta: It is very tough to call out. It would be a best of conjuncture. I am not seeing any sustainable improvement coming here, but given the fact that GST is settling across sectors and government is making an all out effort to clarify various things and to set up the technology platforms etc., for ease of operations on the GST, I believe within a quarter it should pretty much be settled.

Yogesh Kirve: Sir my second question is regarding the DQ. So, it was growing quite rapidly in FY2016 and I think in FY2017 it was a bit of up and down, Sir, how is DQ shaping up in this year?

Piyush Gupta: That is a great question. I think DQ has had its motions in the last two years, which you have rightly alluded towards. The one big thing, which has happened in DQ are frequent changes from a regulations point of view. There were lot of VAS related revenues, which are sitting there, but the government regulations, which came out really impacted that very harshly. The other digital things, which impacted the DQ, was this whole thing around Google taking a position into various properties where DQ was operating for its revenues. So given such a quick changing landscape where DQ operates, DQ for over three quarters clearly has been under a lot of problem. We are at this point in time looking at the entire business model of DQ and rehashing it, given the new market realities and the new regulatory realities and I think DQ will come in its own because we are rewriting the whole plan for DQ going forward, because it has changed very substantially in the last 12 months.

Yogesh Kirve: That was helpful. Thanks a lot and all the best.

Moderator: Thank you. The next question is from the line of Sharan M from Karvy. Please go ahead.

Sharan M: Sir, there is this proposal of issue of debentures, right, nonconvertible debentures?

Piyush Gupta: Yes. I think the whole idea of carrying that in the board meeting was to have an enabling provision to have access to the bond market as and when we require funding. If you were to look back our board documents of one and a half years ago we took a similar approval from the board at that point in time when we were tying up the financing for radio licensing which we had to pay to the Government of India. We have just renewed that just in case there are more business propositions, which needs financing, we just wanted an enablement from the board to have access to the bond markets. That is a regulatory requirement.

Yogesh Kirve: Which means anything is there on the cards to look forward in any of the business mix?

Piyush Gupta: I would not be able to give you forward looking statement, but I have said to an earlier gentleman also that at this point in time and at any point in time, the board is considering various proposals within our strategic space of media entertainment and information and as and when we are ready we would not like to be stumped because of non-enablement from the board on to tying of the financing but that is all I can tell you at this moment. The board is definitely considering various proposals at any given point in time.

Yogesh Kirve: Thank you Sir.

Moderator: Thank you. The next question is from the line of Giriraj Daga from KM Visaria Family Trust. Please go ahead.

Giriraj Daga: For clarification, last year we had digital losses of about 39 Crores and we mentioned in the Q4 concall that this year should be lower than that. We had already at 13 Crores, so will you stick with that target of this year digital losses being lower than last year?

Piyush Gupta: That again is good. Just as a follow up on what I have told the earlier gentleman as well I believe that the digital losses will come down sharply in the next couple of quarters and they will be sustained at that level because you know like the DQ question which the earlier gentleman asked, and also another question on digital losses, which came up a while ago we are currently in the mode of finalizing our plan on some of these digital properties and assets that we have which will not just prop up the growth but also bring down the losses at a sustained level as early as in couple of quarters from now.

Giriraj Daga: Sir next is related to your employee cost. Just to clarify this HT DSL the multimedia company is a line-by-line consolidation right? So employee cost is actual reduction and not just offsetting the line item?

Piyush Gupta: Yes it is a reduction. It is a sustained reduction.

Giriraj Daga: Sustained reduction and my last question is like you have also mentioned in the press release the deal with Suditi Industries of 9 Crores we will be acquiring some certain shares. Do you expect further many other deals to come in this similar kind of a pattern?

Piyush Gupta: As you are already aware in our AFE division of our business we are perpetually looking for value investing opportunities in the market, which will augment our core business as well, so the simple answer to this thing is yes, we are already scouting in the market for many such deals which are available and these kinds of deals will definitely come through much more frequently.

Giriraj Daga: Any number budget we have allocated something that we want to have some certain number in mind of investment we are looking since you are sitting on a lot of cash?

Piyush Gupta: Yes, the way we do the budgeting around these things is not just the investment budget that we put out. It is basically algorithm, which takes into consideration the kind of people that we would like to bring into the advertising fold, the kind of value picks that we can see in an investment space. Now within investment, we obviously also look through the listed markets and the public markets and the private markets that is how we set it up in our budgetary exercise which is year beginning process. I would say we have a lot of headroom in our budget to do these kinds of deals and we therefore are already trying to look deeply into the markets and pick wherever value can be picked up from an investment paradigm, which also augments our core business.

Giriraj Daga: Good morning. Just looking at the English business I am trying to figure out the strategy here. While we have managed an 18% YOY decline in the newsprint that we consume in the English business the circulation revenue is down 23% on a year-on-year basis on the English side. So what is it exactly that you rationalized on the English business and going forward what is the area of focus if you could articulate that will be great? Thanks.

Piyush Gupta: Again, great question. As I was saying if you correlate our circulation revenue to our newsprint expenses etc., two or three things, which stand out, are very, very critical. One, as a consequence to the cost exercise we basically look very sharply at our newspaper deployment, the copy deployment across various businesses and additions in markets and there is a bit of a rationalization which is sitting there, which is on a sustained basis that we are thinking that those certain copies are not working and we need to redeploy them in certain manners. So those things at best our temporary so we basically pulled back the non-productive copies and we will redeploy them in productive geographies. This is an exercise, which is already underway.

The second thing, which I would like to comment here is because of the softness in ad revenue, there is an auto-pagination correction, which has kicked in and which is directly correlated to the ad markets. So as and when the ad markets will go up, those lines will automatically go up but because of the gross margin structure being what it is those will be paying back in more than handsome fashion. So that is the pagination story.

The third thing again consequent to the cost exercise that we have done is to sharpen the focus on our procurement activities around all direct materials including newsprint. There we have got some success in terms of looking at whether we should procure more domestic versus more international, looking at the various price parity and also we are doing all these things while keeping the consumer and the competitive landscape in the market together so you know we have looked at all our editions, all the markets and we have rationalized our bill on newsprint very sharply there.

Last thing, which as you would remember two quarters ago, we had taken a certain call on our non-productive editions, which is other thing which is structurally impacting our cost line in a favorable manner. So it is an amalgam of all these four, which has made the equation of circulation revenue to our newsprint cost very favorable, some of them are sustainable clearly which are linked into our cost exercise, some of them will autocorrect given the market conditions but right now the softness that you are seeing on the circulation revenue also has an element of the competitive market positions that we have in various markets. Though in Hindi we are deploying more copies but the circulation revenue though the RPCs have come down have been marginally soft there, but there are a lot of schemes that we have deployed in the English markets and the business paper market as well. So those are currently eating into our subscription revenue but I would say this is temporary and the moment those copies are structurally embedded into the market, those revenue lines will start going up.

Giriraj Daga: That was very elaborate. If it is possible for you to break the 18% English newsprint cost decline in to copies, pagination, and may be the closing down of non-core sort of stuff, if you could just break it into these three buckets?

Piyush Gupta: Unfortunately, I would not be able to do that, but as I said the substantial part of that is the autocorrective lever, which is on pagination. Apart from that all other three activities that I have said are the smaller sets of that but that is as far as I can tell you at this point in time, but what I can tell you clearly is in terms of efficiency matrix if you look at this particular cost line vis-à-vis any other matrix the efficiency that we are currently standing on at the end of first quarter is a sustainable efficiency that we will be for the foreseeable future.

Giriraj Daga: Thanks. Wish you all the best.

Moderator: Thank you. Ladies and gentlemen this was the last question for today. I would now like to hand over the floor back to the management for their closing comments. Over to you Sir!

Piyush Gupta: Thank you everyone. That was a great conversation we had. As we have said right now in the tough environment we are doing all we can. You know we have done a very elaborate cost project and we are coming out of this much stronger. The markets obviously are still belying us but we are very hopeful that the market is going to come back sooner rather than later. With that I am very, very hopeful that we will be able to add much more to the shareholder return which is the expectation of all shareholders and I look forward to seeing you in a quarter's time with another great set of number. With that I wish you all a great day and a great quarter ahead. Thank you so much.

Moderator: Thank you very much very Sir. Ladies and gentlemen on behalf of Centrum Broking that concludes this conference call. Thank you for joining us ladies and gentlemen. You may now disconnect your lines.