



“Heidelberg Cement India Limited Q2 FY-17
Conference Call”

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HEIDELBERGCEMENT



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**MODERATOR: MR. VAIBHAV AGARWAL-PHILLIPCAPITAL (INDIA)
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Moderator: Good day ladies and gentlemen and welcome to the HeidelbergCement India Limited Q2 FY17 Conference Call hosted by PhillipCapital (India) Private 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. Vaibhav Agarwal of PhillipCapital (India) Private Limited. Thank you and over to you Mr. Agarwal.

Vaibhav Agarwal: Thank you, Margreth. Good afternoon everyone. On behalf of PhillipCapital (India) Private Limited, we welcome you to the Q2 FY17 call of HeidelbergCement India Limited. On the call we have with us Mr. Jamshed Naval Cooper –Managing Director and Mr. Anil Sharma – Chief Financial Officer.

I would like to mention on behalf of HeidelbergCement India Limited and its management that certain statements that may be made or discussed on this conference call maybe forward-looking statements relating with the future development and economic performance. These statements may be subject to a number of risks, uncertainties, and other important factors which may cause the actual developments and results to differ materially from the statements made. Heidelberg Cement India Limited and the management of the company assumes no obligation to update or alter these forward-looking statements whether as a result of new information or future events or otherwise. Also HeidelbergCement India Limited has uploaded a presentation on the website and the exchange; participants may download the presentation from there. I will now hand over the floor to Mr. Cooper and Mr. Anil Sharma for their opening remarks which will be followed by interactive Q&A. Thank you and over to you, sir.

Management: Thank you, Vaibhav and thank you everybody for joining this earnings call. We have sent you the presentations but I will just run through the key points of the presentation.

For the quarter our gross sales have been higher than by about 2.7% and operating cost was lower by about 2.4%. Total EBITDA has increased by 44% over the previous year and EBITDA percentage in margin is higher by 6.2%. On the volume development there is a little slight softening of volume, very marginal about 5.7% compared to the previous year. In gross realization we have been better by about 2.7%, so the markets have given a better pricing. On the cost development side there is a marginal negative side of about 5.8% but on the operating cost, the logistics cost excluding logistic cost we are 3.9% better off than previous quarter. If you look at the EBITDA per ton moving from 476 the previous year to 727, the major thing has come from our GSR and other operating income is about 6.9 crores and raw material cost has been favorable so as within the power and fuel because of our WHR operation. Negative cost has been little bit of about 3 crores of impact because of freight and other cost about by 2 crores.

Going forward in terms of the financial side, we paid our first ECB tranche of 454 crores, 45 crores has been paid up and this was paid sometime in the month of September. Gross long-term debt now reduced to about 830 crores, net debt is about 810 crores this is what

performance has been. And I think leave it for you for asking questions, you can take from here. Thank you.

Moderator: Thank you very much. We will now begin with the question and answer session. The first question is from the line of Anshuman Atri from Haitong Securities. Please go ahead.

Anshuman Atri: My question is regarding your margins which have seen a very sharp improvement. So how much of it is then we see the sustainable on a sequential basis or going forward because you have seen some inflation in cost and what is your take on this?

Management: As far as the margins are concerned the attempt is to sustain it but he is definitely some costs are going up basically on the fuel side which is a little cause of concern. So in terms of operating parameters, in terms of efficiency parameters we continue to improve. So we hope that we should be able to sustain these margins in the long run.

Anshuman Atri: For example you have this operating improvement of Rs. 69 and 55 on raw material, so we can at least expect this part to sustain going forward?

Management: That's what we are looking at.

Anshuman Atri: And the second question is on demand, so how do interpret the demand after whatever has happened on 8th of November, do you see a demand to be subdued in the next two quarters or do you see it improve from when the construction season starts in January onwards?

Management: Yes the market has been a little bit hit because of this currency because most of the construction building material in the rural segment is bought on cash except organized sector where the big builders and big players always buy on cash and carry basis on cheques through the bank but in the retail segment yes, we have seen some impact happening. I don't think it is going to last for long. Many people may give a story of doomsday but I don't expect that to happen because ultimately there is a livelihood of the masons, the carpenters, everybody who is connected with the building industry. They can't go out of business and they can't do a eating on a day-to-day basis. Finally the work has to go on and people who are into building house who have started a house, they are not looking at some transactions due to just some free flow of cash has reduced for a few days, the currency is not available. Currency, I don't think government is going to wait for that long, it's a question of initial teething problems, cash will come into cycle. So I think just only a question of converting the money which was supposed to be used for this particular house building constructions and maybe three weeks' time maximum upper limit I would expect things should start improving.

Anshuman Atri: Have you seen any drop in prices recently?

Management: No we don't, we have not seen any drop in prices.

Moderator: The next question is from the line of Chockalingam Narayanan from Deutsche Bank. Please go ahead.

Chockalingam Narayanan: Just on that first question if you can bit elaborate about what sort of an impact have we seen till date, is it possible to quantify in terms of how much is the run rate kind of in terms of volumes dropped off versus normal times? I don't want you to quantify in terms of absolute volumes but just was a normal day how is it now after the event?

Management: On the first day we did not see much drop but from fourth day onwards we saw about 25% to 30% drop. Then all of a sudden it went to 50% but now again it is coming back.

Chockalingam Narayanan: How do you see this kind of evolve I understand cement is slightly better off as an industry in terms of transactions? But what about complimentary products like sand or bricks where a lot of more cash related transactions happen, how do you see that kind of evolve and that having an impact on the cement off-take if you can elaborate a little bit on that?

Management: Mostly a new sort of a structure is emerging in the market because of this cash crunch because of the legal tender is not available today. So people are allowing, people are giving credit also which is traders are saying 'okay theek hai' you take the product you pay me later on when you get your cash. So trader is giving credit, so there is a cycle with the money where somebody or the other the products will find its way to the market and it's not going to be a long... by the time this money will come into the market and people will pay I think this must be also dealers are using it is occasion to create relationships also with more people by extending credit.

Chockalingam Narayanan: Last question on this issue is how has this kind of impacted the election related activity in terms of construction or work project activity has that kind of window evaporated effectively?

Management: Not really Chockalingam, I have not seen anything anybody coming and telling me that any project work has stopped. Could have stopped in some rural place where the contractors may not be in the position to give money to their masons and maybe give it to them on a daily basis, so that might have got somewhere impacted, for a few days it may remain like that. But ultimately the mason also is at the site or the workman, where will they go. They may take half the money and start working and they wait for the rest of the money to be given later on.

Chockalingam Narayanan: Last question from my side is on Petcoke, has it already moved in tandem because I understand that you get it from domestic sources, what's the difference between that and landed cost of imported pet coke, what's the difference between the spot and average rate that you would have got in September quarter?

Management: Almost the imported rate and the spot rate here itself is almost the same. There is a difference of I think about \$5 or so.

Chockalingam Narayanan: Which is more expensive?

Management: Imported one.

Chockalingam Narayanan: Between the average of the September quarter and now what's the sort of inflation that we've seen if you were to look at it?

Management: On fuel?

Chockalingam Narayanan: Yeah.

Management: From last year to this year it will be about 50%.

Chockalingam Narayanan: No I was actually asking between September quarter and the current spot rates?

Management: September quarter and the current it is almost sluggish.

Moderator: The next question is from the line of Milind Raginwar from SBI Cap Securities. Please go ahead.

Milind Raginwar: For the line items the operating income from the run rate we are slightly higher in this quarter, can you just please throw light on that?

Management: Basically mostly because of realization.

Milind Raginwar: The other operating income is about 12%.

Management: There is one-off item during this quarter and we have got some credit in the state of Madhya Pradesh from the tax department basically on account of reversal in this quarter.

Milind Raginwar: So some tax reversal is that what?

Management: This is one-off item.

Milind Raginwar: From the state of Madhya Pradesh, is it?

Management: Yes.

Milind Raginwar: Can you just quantify in the total how much that would be?

Management: The amount is around 70 million INR.

Milind Raginwar: In terms of the logistic cost per ton we have seen an increase, so is this related to the higher lead distance or is it because of the cost actually going up?

Management: This is because of fuel price increase.

Milind Raginwar: Only because of that...

Management: Yes mostly because of that.

- Milind Raginwar:** I just missed out the net debt number, so can you just please
- Management:** 810 crores.
- Milind Raginwar:** So that is lower than the March number that we have been given, so have we seen any...
- Management:** Yes prices that we have paid some money.
- Management:** 45 crores in the month of September.
- Milind Raginwar:** Any repayment schedule for the second half?
- Management:** Milind, there is \$35 million which is now payable within this financial year of which part of it is already paid, another \$15 million will go out in the next quarter.
- Milind Raginwar:** In the next that is the third quarter.
- Management:** Yeah.
- Milind Raginwar:** So \$15 million will go in the next quarter is that what you are indicating?
- Management:** Quarter means Q4, Q3 there is already some payment which has happened.
- Moderator:** The next question is from the line of Ritesh Shah from Investec. Please go ahead.
- Ritesh Shah:** Sir my first question is on the freight and forwarding cost, I am looking at long-term trend for Heidelberg versus sectorial peers, clearly our costing is far lower than the industry peers. So just wanted to understand—I understand basically road to rail its around 50% each and lead distance what we have indicated and prior cost is less than 400 km—so is it something that I am missing over here? One question that I have specific to here is on the accounting of clinker transport from the mother unit to the grinding units, is it under this very head or it comes under raw material cost head?
- Management:** It goes in the raw material.
- Ritesh Shah:** If this had to be included in this line item how much of the differential would it make?
- Management:** I will have to work on that, I don't have it right away.
- Management:** But this is in fact is not your freight and forwarding cost that is your internal transfer between one plant to other plant. This should be a part of raw material cost, not the freight and forwarding.
- Ritesh Shah:** My second question is, are we getting any incentives for the Damoh plant or do we have any interest-free loans currently wherein we are getting the benefits?

- Management:** We will get some interest-free benefit from UP government, some interest-free loan and some VAT benefit in Madhya Pradesh to the volume what we sell there. There is a certain formula with the government so we get some VAT incentive there which amounts to about something like Rs.50 a ton for us on an overall basis.
- Ritesh Shah:** Rs. 50 per ton, this would be for sales from Damoh?
- Management:** Yes.
- Management:** No, Rs. 50 on the total volume but we get the incentive only in the state of Madhya Pradesh.
- Ritesh Shah:** And that would be what percentage of our total volumes?
- Management:** Madhya Pradesh could be about 40%.
- Ritesh Shah:** And this VAT benefit would last for how long?
- Management:** 10 years.
- Ritesh Shah:** So 10 years from date that is till 2026 would that be correct?
- Management:** 13 onwards.
- Ritesh Shah:** 2013 onwards?
- Management:** Yeah.
- Ritesh Shah:** And last question on incremental CAPEX, who are we looking at it?
- Management:** Now this CAPEX is basically general CAPEX we are talking about and it is around every year we are doing around Rs.45 to 50 crores that is the sustainable CAPEX we are talking about.
- Moderator:** The next question is from the line of Raj Gandhi from Sundaram Mutual Fund. Please go ahead.
- Raj Gandhi:** You mentioned about some consumption parameters improving and some benefit coming in for this quarter, could you elaborate on that?
- Management:** WHR is there.
- Raj Gandhi:** Just on the WHR Q-on-Q what percentage of power mix it was if you could just elaborate on that?
- Management:** This is about 30 MW of power which we are talking about; fuel you will get about out of this right now to generating about 9 MW so that would be about 15% of our power.

- Raj Gandhi:** So this should ramp up gradually to 15 MW?
- Management:** This will gradually increase but you will not get the total 15 MW because your auxiliary consumption also in the plant, so it will always 6% to 7% auxiliary consumption, maybe 20% of total power requirement of the company.
- Raj Gandhi:** Again that depends on the actual utilization like if the plant utilization goes down then obviously it will difficult to reach the 20%, right?
- Management:** Exactly.
- Raj Gandhi:** So what level of plant utilization do you get 20% WHR?
- Management:** On 20% we will have to work it on all the lines working so that is close to 95% utilization.
- Raj Gandhi:** Anything besides this?
- Management:** Besides this that's only the operational efficiency, consumption parameters we have improved continuously.
- Raj Gandhi:** So, that again are more sustainable going forward?
- Management:** Yes.
- Raj Gandhi:** Again if possible to highlight because where I am coming from if I just see for the quarter power and fuel RM plus inventory change per ton just to even out the inventory changes, it is actually down by 6% Q-on-Q in the scenario when Petcoke prices are going up. So just trying to see what sort of improvement has come through.
- Management:** I think you need to see not only power and fuel and the raw material, you need to see other items because inventory change includes your inventory change of the cement as well as clinker. So in general you have the monsoon season, one time you change the major inventory and at the same time in June quarter also there was major inventory change. So that inventory reduced or increased in both way your excise duty on that inventory and freight that also changes.
- Raj Gandhi:** So that excise duty changes reflected in the other expenditure, is it?
- Management:** It will reflect there also but on the inventory which is straight from the plant there you carry excise duty and it lies in the inventory then it will impact your inventory changes. So you need to see the total line item and then put together you will see that as compared to the June quarter then quarter-to-quarter there is slightly increase in the cost and that is mainly coming from the fuel price changes.

- Raj Gandhi:** You mentioned that your current spot Petcoke prices are equivalent to what you see in this quarter, so no further fuel price increase on current Petcoke prices?
- Management:** It is slightly lower than the imported Petcoke price.
- Raj Gandhi:** Not imported, I am comparing to the Petcoke cost for the current quarter what has hit your P&L and current spot purchases, are they at the same level?
- Management:** Almost.
- Moderator:** The next question is from the line of Pratik Kumar from Antique Stock Broking. Please go ahead.
- Pratik Kumar:** Sir I have two questions, first on the competition side, do you see over the past 2-3 quarters specifically in your central region increased competition from some of the new players in your market, from some of the outside regions like east which we hear from some of the competition that they are penetrating into the central market?
- Management:** Yes we are seeing something which is happening basically in the Eastern part of Madhya Pradesh, Bihar is little more affected, not so much in UP but yes Madhya Pradesh, coming from Chhattisgarh side there is competition has increased, inflow has increased.
- Pratik Kumar:** But not possibly at the expense of prices because in general prices have not dropped as you mentioned?
- Management:** More or less stable I would say.
- Pratik Kumar:** And just dwelling more on demonetization impact, let's go beyond his 6 to 8 months' period for a medium-term perspective do you think like in general what we expect 7% to 8% growth trajectory for industry, for cement sector, do you expect that to change because of this news in general all we should expect that going forward as well?
- Management:** There will be some impact definitely which will come because it will hit the real estate scene, especially in metro areas it should make some impact because of the inventory may pile up again which was started liquidating that could affect Tier-I cities where the demands to come down. But I don't think going forward in the rural side the demand should be impacted. That's what my feeling is, of course there are various different school of thoughts on this subject and it is too early to comment or predict something which may not come through.
- Pratik Kumar:** My last question is on the two companies which you operate in India I mean the Heidelberg international companies. So have we seen any further benefits due to procurement we are also getting factored in the power and fuel cost or some other cost line items?

- Management:** Yes there are some synergies which will come in but they will start kicking in the later quarter. In all sorts of ways in terms of our procurement cost, in terms of market deployment things like that those will have definitely some benefit.
- Pratik Kumar:** So that has not started to benefit Q2?
- Management:** Not now.
- Pratik Kumar:** All the power and fuel cost which we have seen during the quarter as a follow up to the previous question which was asked, so all the hike in the fuel cost is possibly offset by certain operational efficiencies and the benefit of WHR which we have seen?
- Management:** That's right.
- Moderator:** The next question is from the line of Abhishek Ghosh from Motilal Oswal Securities. Please go ahead.
- Abhishek Ghosh:** Just wanted to figure out there was some sand mining issue that was in UP, has that been sorted out or is it still around?
- Management:** It is still going on.
- Abhishek Ghosh:** And there is no clarity as to when can we reach this thing?
- Management:** I think the UP elections get declared I think this will get settled immediately.
- Abhishek Ghosh:** You also mentioned in your presentation that there have been power tariff hikes in Karnataka and MP, has that effected?
- Management:** In the month of April.
- Abhishek Ghosh:** So it's the same month 1st of April 2016 whatever revision we had seen.
- Management:** Correct.
- Abhishek Ghosh:** Sorry to harp on this but just wanted to understand how the impact of this demonetization, so if we look at our focus to market what would be a very broad breakup of demand in terms of infra, housing or commercial for our focus market?
- Management:** You can say about 65% would be housing and balance would be all government projects and infrastructure.
- Abhishek Ghosh:** Does that change meaningfully for our Southern operation or is it like the proportion is same pretty much across India or is there a regional?

- Management:** No there is a quite a lot of difference there. Such operations are very different from the central operations.
- Abhishek Ghosh:** So they would be more hinged on infra and lesser on...
- Management:** Yeah more infra, little bit of organized sector is bigger there.
- Abhishek Ghosh:** The organized sector element in the southern operations...
- Management:** Organized construction sector, here it is more how IHB builder segment, there it is a little more organized sector which takes place. More government orders are there, more RMC is there.
- Abhishek Ghosh:** So in that context it is little different in that?
- Management:** It is more mature I would say in terms of market maturity is little better.
- Abhishek Ghosh:** The 65% that you mentioned would be housing, out of that about good 75% to 80% our focus market would-be IHB, would that be a right assumption?
- Management:** Yes.
- Abhishek Ghosh:** And that would be much lower for the southern operations what you mentioned?
- Management:** Correct.
- Moderator:** The next question is from the line of Kunal Shah from Amideep Investments. Please go ahead.
- Kunal Shah:** You mentioned about this 25% to 30% drop in the fourth day and then 50% drop and now it's coming back, so by when can we see it getting normalized, by how many weeks?
- Management:** Very difficult question, I have no answer to that.
- Kunal Shah:** Basically no one can predict the thing.
- Management:** I don't want to give information which is not in front of me or I have no idea about it.
- Kunal Shah:** Can you at least give me a ballpark number regarding the volume growth that will come-in in the second half, any kind of idea?
- Management:** No I won't be able to give.
- Moderator:** The next question is from the line of Saurabh Mitra from B&K Securities. Please go ahead.
- Saurabh Mitra:** My question is regarding raw material cost, in this quarter there is a significant decline on raw material cost. What could be the possible reason for the same?

- Management:** Basically driven more by fuel and certain WHR.
- Management:** I think you have calculated raw material only single line item. I think you should consider the inventory change also at the same time you need to see okay if the inventory change during the quarter it is significant then you can't compare only raw material or in power and fuel, you take the total cost and then you will see the real picture.
- Moderator:** The next question is from the line of Kamlesh Jain from Prabhudas Lilladher. Please go ahead.
- Kamlesh Jain:** As you have mentioned that we have 80-20 mix between trade and nontrade. I believe most of the fall would be in the trade segment only. So, in the case of nontrade is it at the steady rate or there also you are witnessing significant fall at par with trade?
- Management:** Both at par, it is the same effect.
- Kamlesh Jain:** And in next quarter how much could be the increase in our energy cost because of sharp increase in Petcoke prices?
- Management:** Even I will have to work out that. I don't have it.
- Kamlesh Jain:** In this quarter how much was our...
- Management:** I don't think the energy cost from this quarter to the quarter should vary because more or less the cost prices are same unless the state government declare some increase in tariff, could be in South.
- Kamlesh Jain:** But I am asking on the part of Petcoke?
- Management:** Petcoke I think it should remain constant. I don't expect more to take place on this.
- Kamlesh Jain:** But we would be having some benefit of low price inventory, so in this quarter as well it would have some impact?
- Management:** No we don't have any major impact on that account. We are working on a day-to-day inventory sort of thing, very lean inventories.
- Moderator:** We will take a last question which is from the line of Ritesh Shah from Investec. Please go ahead.
- Ritesh Shah:** Sir my first question is the follow-up of the prior question that I asked. You indicated VAT benefit at around 8 to 10 crores, is it for the quarter or is it for the full-year?
- Management:** Total amount is not 8 to 10 crores, total amount is around Rs. 15 crores and that is the annual amount.

- Ritesh Shah:** 15 crores is the annual amount and that would be on 40% of sales, correct?
- Management:** That is the annual amount and that amount is within the state of Madhya Pradesh. 40% we are saying is that 40% is the eligible for the out of total cement sold by us.
- Ritesh Shah:** That would translate to nearly Rs. 85 per ton.
- Management:** We are talking about Rs. 50 on the total volume of the company so that is around 15 to 17 crores.
- Ritesh Shah:** My second question is, are we seeing any volumes which are coming from the southern markets into the central market where we operate because South if the demand is not as high as and obviously the markets that you operate are better as compared to the southern markets?
- Management:** There is a logistic issue; I don't think cement can cross boundaries so easily, beyond a certain limit it becomes uneconomical to travel.
- Ritesh Shah:** So are you hinting that there are no rail junctions in play basically it is becoming difficult for South material to get into the Central India?
- Management:** From South India anybody has to travel to here he has to first immediately consider Rs. 1800 freight it is not going to be easy.
- Ritesh Shah:** Do we have any incentive that any of our other plants you indicated for Damoh and for UP?
- Management:** No, we don't have any.
- Ritesh Shah:** You hinted on the synergy benefits, would it be possible for you to elaborate on this aspect? How are we looking at it going forward and if possible if you could put some numbers to it?
- Management:** That's what I would refrain from doing so because these are two different companies. We would like to refrain from talking on that.
- Ritesh Shah:** Timelines to it?
- Management:** Timelines I said from next quarter something will start kicking in.
- Moderator:** We will take the next question which is from the line of Akshit Gandhi from Aviva Life Insurance. Please go ahead.
- Akshit Gandhi:** Sir if you could tell me how much was the CAPEX done by Heidelberg in last 6 months and how much debt have we prepaid from March levels?
- Management:** 45 crores we have paid and CAPEX for this year has been not major.

- Management:** These are the normal sustainable CAPEX that is what we are doing.
- Akshit Gandhi:** Can we say that we may roughly have not more than 40 to 50 crores CAPEX has backed-in in this year?
- Management:** Lower than that.
- Akshit Gandhi:** Have we got all the waste heat recovery benefits from the September quarter?
- Management:** Yes, waste heat in terms of power generation it has started coming in. The tax benefits will come later on.
- Akshit Gandhi:** How much would that be roughly?
- Management:** For us that is about if WHR goes full on stream the energy cost will be about Rs. 60 to 70.
- Akshit Gandhi:** You said you run a very low Petcoke inventory and I remember in last quarter presentation also you had indicated that 75% is the kiln mix of Petcoke, right?
- Management:** Yeah.
- Akshit Gandhi:** How much can we go maximum in that if let us say Petcoke remains favorable?
- Management:** Last time also I had mentioned that we have to take a balanced view on this because there are in emission issues on SO_x-NO_x, so one has to be careful on that, you have to remain compliant also.
- Akshit Gandhi:** And can we say fairly that let's say if the current market price of Petcoke is Rs. 7000 that entire amount would be reflected in the September quarter, energy prices?
- Management:** More or less yes.
- Moderator:** We will take the follow-up question from the line of Pratik Kumar from Antique Stock Broking. Please go ahead.
- Pratik Kumar:** You mentioned about the housing part, 65% housing which for the central market you have, so is there a split available for urban versus rural side or most of it is rural for you?
- Management:** Mostly I would say out of it 70% of that would be rural.
- Pratik Kumar:** Which would be again the IHB segment?
- Management:** Mostly, including in urban also you have IHB segment but smaller. The IHB is mostly in the rural part, Tier-II and Tier-III.

- Moderator:** The next question is follow up from the line of Kamlesh Jain from Prabhudas Lilladher. Please go ahead.
- Kamlesh Jain:** With regard to coal, how much would be a linkage coal as of now in kiln only?
- Management:** Our total linkage coal is whatever is our requirement is 100% the linkage.
- Kamlesh Jain:** Like Petcoke is roughly around 75%, so rest all is linkage coal?
- Management:** Yeah rest is all linkage.
- Kamlesh Jain:** Have you participated in the recent linkage auction or is it the prior one only?
- Management:** Not recently.
- Kamlesh Jain:** With regard to this tax incentives of around 15 crores a year, so when are they going to expire?
- Management:** 10 years from 2013 that means till 2023 will be going on, 2022.
- Kamlesh Jain:** With regard to Italcementi Plant, what are the debt and EBITDA which they had done in the prior year; can you throw some light on that?
- Management:** No we won't be able to give any information on that.
- Moderator:** Thank you. Ladies and gentlemen that was the last question, I now hand the conference over to Mr. Vaibhav Agarwal for closing comments.
- Vaibhav Agarwal:** Thank you. On behalf of PhillipCapital I will like to thank the management of HeidelbergCement for the call and also many thanks to the participants for joining for the call. Margreth, you may now conclude the call. Thank you very much sir.
- Management:** Thank you.
- Moderator:** Thank you. On behalf of PhillipCapital (India) Private Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.